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The House will please come back to order.

Will the Clerk please call Emergency Certified Bill Number 1401.

THE CLERK:

House Bill Number 1401, AN ACT ESTABLISHING THE CONNECTICUT BIOSCIENCE COLLABORATION PROGRAM, LCO Number 8922, introduced by Senator Williams and Representative Donovan.

SPEAKER DONOVAN:

Representative Pat Widlitz, you have the floor, madam.

REP. WIDLITZ (98th):

Thank you, Mr. Speaker. Good evening.

SPEAKER DONOVAN:

Good evening.

REP. WIDLITZ (98th):

Mr. Speaker, I move acceptance of the emergency certified bill in concurrence with the Senate.

SPEAKER DONOVAN:

The question is on passage of the bill in concurrence with the Senate. Will you remark?

REP. WIDLITZ (98th):

Yes, sir. Thank you.

Mr. Speaker, this bill creates the Connecticut Bioscience Collaboration Program within Connecticut Innovations. It supports establishing a bioscience cluster anchored by a research lab at the UConn Health Center. It requires the state bond commission to authorize up to $290,685,000 in general obligation bonds from fiscal year 2012 through '21, with that money going to a Connecticut bioscience collaboration fund administered by Connecticut Innovations.

That fund must be used for the programs and purposes for repaying the bonds. It requires Connecticut Innovations to work with a nonprofit organization to develop, construct and equip a structure to use as a research lab and office building. It permits Connecticut Innovations to provide for annual operations, research and development grants to the nonprofit for projects such as research on stem cells, DNA and genome-based medicine.

Connecticut Innovations board will establish an application process and guidelines for awarding the grants and loans under that program, and the Connecticut State Bond Commission must authorize

the total bond issuance and approve a memorandum of understanding with the OPM secretary and the treasurer regarding that bond authorization.

Mr. Speaker, this bill gives us the ability to bring the Jackson laboratory -- I'll refer to as Jacks -- which is a world leader in genetics research to the University of Connecticut's Health Center's Farmington campus. Jacks will build Jacks Genomic Medicine, an institute for personalized medicine. At maturity, or to be 20 years, Jacks will employ about 600 scientists and technicians in 250,000 square feet of the state-of-the-art lab space.

The total twenty-year capitol and research budget for the Institute is projected to be $1.1 billion, of which the State of Connecticut will contribute 291 million, 192 million in a secured forgivable construction loan, and 99 million dollars in grants for research and related activities. The benefit to Connecticut is enormous.

It establishes us as a world leader in bioscience. We will have the world-renowned leader in bioscience working with our UConn Health Center,

our hospitals, our universities, and most exciting, the jobs spinoff will give Connecticut the boost economically that we have been lacking.

According to Price Waterhouse Cooper's, the estimated personalized medicine is growing at 11 percent per year. In Connecticut, we have an advantage of having a greater concentration of research and development biotechnology jobs than most states. If we were to capture an average share of even half the growth rate, it could mean thousands of new jobs in the state over 20 years. Not only will we attract the top scientists and researchers and teachers in the world, we will give our young scholars an incentive to study with the best, to be educated in a growing, high-paying industry and stay in Connecticut to contribute to our economy, and raise their families in our beautiful state.

I move adoption, Mr. Speaker.

SPEAKER DONOVAN:

The question is on passage. Will you remark further? Remark further?

Representative Cafero.

REP. CAFERO (142nd):

Thank you, Mr. Speaker.

This is not a summation. It's just the beginning.

SPEAKER DONOVAN:

Please proceed, sir.

REP. CAFERO (142nd):

If -- if I may, I'd just ask a couple of questions to the proponent of the bill.

SPEAKER DONOVAN:

Please proceed.

REP. CAFERO (142nd):

Thank you, Mr. Speaker.

Representative Widlitz, over the last few weeks we have heard about the proposal, the Jackson Lab proposal. And it certainly is one that's rather exciting to hear about. I had the pleasure of meeting with representatives of Jackson Labs, and just to hear them speak of it, to learn of their work, to learn of their dream is so exciting.

And the work that they do is -- just gives you so much hope that some of the ills and conditions, health conditions that are loved ones face, maybe even we face, someday, either in our lifetime or in future generations could be cured. It's just very

exciting stuff. But, obviously, it comes at a price. And I guess our job is to say this is an investment. Is it an investment that is worth it? And that's, I guess, what we're going to try to find out. So I have a couple of questions, if I may, to ask you.

SPEAKER DONOVAN:

Please -- please proceed, sir.

REP. CAFERO (142nd):

Thank you.

Obviously, though, the bill doesn't say it. Our -- our goal is to make a deal with Jackson Labs. Through you, Mr. Speaker, are you familiar with the terms of the deal that we -- we, as a State, hope to enter into with Jackson laboratories?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Mr. Speaker.

Through you, certainly, the memorandum of understanding will be negotiated, not by this Chamber or this body but by the Governor's office

with DECD. But we have an indication of what they will be putting into that memorandum of understanding. And we have all had the opportunity to express concerns to make sure we protect the investment of the Connecticut taxpayer. So, in a general way, yes, I think there's a framework. There are benchmarks that will be built in along the way according to the number of jobs that are acquired, the amount of money that they will be required to show that they are contributing.

I think I mentioned that, along with the state investment, they will be investing 800 million that they will acquire from various sources. So there will be benchmarks along the way. We will have a secured construction loan so that they will be responsible for building the building. They will take ownership of it. But at anytime they do not meet the requirements set forth in the MOU, we will have recourse.

I hope that helps, Mr. Speaker.

SPEAKER DONOVAN:

Representative Cafero.

REP. CAFERO (142nd):

Thank you, Mr. Speaker.

Mr. Speaker, through you, am I to understand, Representative Widlitz, that -- that we -- and I think you correctly stated -- the negotiation of the details of this deal comes after our legislative action.

Is that correct?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

That is correct.

SPEAKER DONOVAN:

Representative Cafero.

REP. CAFERO (142nd):

And, through you, Mr. Speaker, the Legislature has no part in -- other than making suggestions -- the actual negotiation takes place between the executive branch and Jackson Laboratories.

Is that correct?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

That is correct, Mr. Speaker. But the final approval of the MOU and the bond issue will have to come before the State Bond Commission.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Cafero.

REP. CAFERO (142nd):

Through you, Mr. Speaker.

After we take action on the bill that's before us today, will we, as a Legislature, have any opportunity to vote for, weigh in on, negotiate the terms between the State of Connecticut and Jackson Laboratories as a state Legislature body?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

On an individual basis, we certainly have been welcomed by the administration to share our concerns and input. As far as the final negotiations, no. But, certainly, that will reflect the concerns that we already have expressed in the public forums and will continue to express.

And I think our -- our Speaker and our Majority Leader, and I hope yourself as well, have pledged to work with the administration to share concerns and make sure we do have that input.

SPEAKER DONOVAN:

Representative Cafero.

REP. CAFERO (142nd):

Thank you.

Through you, Mr. Speaker. And I thank Representative Widlitz for her answer. As a matter of fact, I have, and I want to get to that story in a minute.

But let me tell you, if I may, the Chamber, and then ask further questions of Representative Widlitz, of what I know about the deal. It's probably what most of you folks know. If you know more, I'd be dying to hear about it.

But here's what I know. This incredible company that was founded in Maine in, I believe, the late twenties, has another office in California, I believe, is looking to open a brand-new business. Not relocate part of the business that they have in Maine, but open a brand new, exciting business of genomic laboratory here

in the State of Connecticut.

Yes, I understand that they had a -- a -- experience in Florida that didn't quite work out. And -- and I think that that might be instructive or interesting, but -- but what we're talking about here is in Connecticut. And from what I understand, here's the deal.

That upon passage of this, we're authorizing the State to borrow -- bond $291 million. That, almost immediately, we will spend $191 million of that to construct a building, except, see, we're not constructing it.

We give the money over -- we lend the money to Jackson labs and they construct it. And they own it from the moment that takes place. The moment the first shovel is in the ground, they are owners as they're constructing the building. They have title to it. We have what you might call a construction lien on it, wherein they would owe us the $191 million we just lent them, but that would be forgivable over a period of years based on certain conditions.

In addition to the $191 million, we are obligated, under what I understand, to subsidize

their operating costs. They're a start-up company. They might not have a lot of money at first. So we have, under the terms that I've been made aware of, pledged to give them over a period of ten years an additional $99 million in certain increments.

For instance, in the first year, we give them $5 million. In the second year, we give them $7 million. In the third year, 10 million dollars. In the fourth, fifth, sixth and seventh year, $15 million. And then it goes down to 10 million, 7 million, 5 million, and 5 million.

The total amount that we give them -- and they're called grants -- is $99 million. That's where we come up with the $291 million in total. And we expend the first $191 million almost immediately for the construction of this building. It's, from what I understand, a 178,000 square-foot building that's going to be built on the campus of our University of Connecticut Medical Center in Farmington, Connecticut. The land upon which it will be built is owned by the State of Connecticut and will be leased to Jackson Laboratories for 99 years for $1 a year.

That's what I understand is our obligation as

the State of Connecticut. That is our investment. And I'm not going to comment as to whether that's reasonable or unreasonable, yet it's an investment. But the question we all ask ourselves when we invest our own money, and certainly which I think is incumbent upon us to ask when we're investing our constituents' money, is what is our return on the investment?

Now, first of all, you have to be darn fool not to know that nothing is guaranteed in the world. It's a risk. Most investments are a risk. You hope for the best. When you go into a casino and gamble, your gambling, hopefully, God willing, with discretionary money, knowing that if you happen to lose it, you're still financially sound.

When you invest in a stock, your hopeful for a return, that maybe your broker advised you you might get, but you understand that that might not happen, and that controls how much you invest in that.

When you purchase a house, or a building, or even an automobile, you make that decision. I'm investing in something, what will the return be for me. And that's, I guess, what our job is. But the

way the system works is we, sort of -- we have our role at the beginning of the process. Because you see, folks, after today we're done. Oh, yes, we can make individual comments and suggestions, but we're done. The money has been granted and may be spent.

And I understand that has to happen sometimes. But what our role is is to find out as much as we can, in the very short period of time that we have, as to how we're going to spend this money, what we're spending it on, and what we're getting in return. Now it's my understanding for that stuff we give, which I just mentioned, $191 million entitled to a building that they will construct with a construction lien on it, that is forgivable upon the satisfaction of certain conditions.

In addition to $99 million being given over a period of ten years as a grant, what are we getting? Well, as was said, we get what is known as a world-class laboratory to be in Connecticut. That's not an insignificant thing. We get that world-class laboratory to work in collaboration with our flagship university and our medical school. That is not an insignificant thing. And

joining them in that collaboration is Yale University, a world-renowned institution. That is not an insignificant thing.

It is said that it would augment the investment we made as a State in the last budget with regard to the UConn Health Center. That is not an insignificant thing.

So then you want to get a little deeper into the details. Because, let's face it, this is a jobs session and we want to create jobs. We want to create jobs, and spur industry, and have magnets that attract even more jobs.

So Jackson Labs says, we've never done this before. Obviously, they don't have a business like this. They'll be creating the business.

Now, believe me, they have incredibly bright people with a lot of history and a lot of cachet to attract even brighter people. But they never have done this particular thing before, to my understanding, and I can stand corrected.

So in that first year, as we're building this building, they said -- and I'm going by their sheet, their financial projections -- that we will create three jobs at the facility. Maybe it won't

be in the building itself, because it's not up yet, but there will be three jobs.

In the second year, they hope to create, cumulative, 32 jobs, or in other words, add another 29 jobs. And by this time, I think the building might be done, so now we're rolling. Now remember, the first year we gave them 5 million bucks and -- in addition to the building. The second year we gave them 7 million. Now comes year three. And in year three, it's my understanding that they're going to have 80 -- I can't read this too well. Excuse me a second. It's rather small. We all received one. It look like an eye chart to me, but I'll give it a shot. I believe it is 80 jobs, so an additional 50 -- 47 more jobs, something like that. And it goes up to 132, 165, 201 -- these are cumulative numbers -- 242. In year seven, they have 257 or 97 jobs. I can't read that. And finally, in year ten, they project 320 jobs that they're going to have there.

Now it's my understanding that's all they had to promise. And by the way, they had to promise it in at least the increments that I said. It's not like they can wait, as was said at the beginning,

nine and half years with two people in the place and then all of a sudden they get 300. No, they can't do that. It's supposed to have this progression of jobs. But at the end of the day, they have 320 jobs.

Now a lot of people have simplified this and said, wait a minute. We've spent approximately 300 million bucks and, in ten years, we get 320 jobs. What am I missing? Well, these aren't ordinary jobs. They're pretty neat jobs. And we are also told that these jobs and this activity will attract other jobs, spinoff jobs. So it won't just be the 300 direct jobs. It will be other jobs that are created by their very presence there.

So here's my question. In that first ten years, let's say, in year four, if they don't meet the job total that they are supposed to in year four, which I believe is 156 jobs, what happens?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

There is also another requirement. They had

pledged to raise over $800 million in capital from other sources that they're putting into this as well. And there would also be a requirement within the first ten years that they would have to show that they had raised 295 million of the capital. So there are financial benchmarks that they will have to meet, as well as the jobs.

If, at the end of these targets, they are not successful in meeting those, the loan would not be forgiven at that point.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Cafero.

REP. CAFERO (142nd):

Through you, Mr. Speaker.

Does that mean they would be then obligated to pay the loan back?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Mr. Speaker, I don't have an answer for you on that because that would have to be, as you said, negotiated in the MOU. And I don't want to guess

at an answer.

REP. CAFERO (142nd):

Okay. Appreciate --

REP. WIDLITZ (98th):

The loan certainly would not be forgiven at that point. They, perhaps, would have more time to make up those benchmarks as they go further out, but I would not like to -- to guess at that.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Cafero.

REP. CAFERO (142nd):

Thank you. And through you, Mr. Speaker, one of the things I'm curious about is, these are very specific numbers when it comes to job creation. You know, I said in year four 156 jobs, not 150, 156. In year six, 244 jobs. In year eight, 315 jobs.

So it seems to me -- and this is way over my head -- but somebody really put a pen to paper and has some sort of formula where it's not 316, it's 315. It's not 344 or 345, it's 344. So there's a very exacting reason they would put this down.

And yet, I'm wondering, what happens if, in a given year, they don't reach that exact number? Do

we give them some wiggle room there? Eh, it was a tough year. We'll give you a chance. Give you another three months. What's the deal?

Through you, Mr. Speaker.

(Deputy Speaker Aresimowicz in the Chair.)

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

And I would assume that the administration would try to work with them to -- to make sure they reach those benchmarks. These -- these goals actually were provided by Jackson Labs so, you know, they are their -- their numbers of what they expect to achieve, their projections. So I'm sure that in putting that forward and writing and presenting it to us, they feel very confident that they can do that.

If they did not, and it were within a -- a small variance from that target, I'm sure the administration would work with them. But, again, they have set these -- they have set these numbers.

And the targets have to be met or the loan is not forgiven.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Cafero.

REP. CAFERO (142nd):

Thank you. And, through you, Mr. Speaker, when the loan is forgiven, is that in year ten?

Is that when, I don't know, to simplify it, we actually rip up the mortgage, that we no longer have security on the property in year ten if they've met all these goals?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMÓWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

It is my understanding that, at that point, they would take ownership of the building. Once -- as long as the financial requirements have been met -- now at that ten-year period, according to the projections, it should have paid for the cost of the bond issue by generating new revenue that will be coming into the state. So that's -- that's

something we have to look at. But the agreement, as I understand it, is at the end of ten years, if the targets have been met, then they will have ownership of the building.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Cafero.

REP. CAFERO (142nd):

Thank you.

Through you, Mr. Speaker, I'm a bit confused. I thought the deal was they have ownership from the very beginning. We would just rip up the debt at the end of ten years. Is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

Yes, they would have ownership of the building, but it would be encumbered by a construction loan that we would hold.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Cafero.

REP. CAFERO (142nd):

Thank you.

So they have ownership of this building and they only got a few people in it. It's a pretty big building. Are they allowed to lease out some space, sublet some space?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker. They cannot do anything, in that way, with the building without the permission of the State.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Cafero.

REP. CAFERO (142nd):

Thank you. Through you, Mr. Speaker.

I'm just curious because they were pretty exacting as to how many people will be in this big building. What are they going to do with all that space? Have they indicated that, like, what they're going to do with -- understanding, whatever they do with it, they needed the State's permission.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

A large portion of that building will be taken up with very sophisticated state-of-the-art laboratory space.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Cafero.

REP. CAFERO (142nd):

Through you, Mr. Speaker.

I understand that there is quite a market for renting laboratory space. In fact, we, as a State of Connecticut, actually do rent out some laboratory space at a pretty good profit at the University of Connecticut right next door to where we hope to build this building.

Would they be allowed to do that?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker. They would not be

able to lease out the space without the approval of the State.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Cafero.

REP. CAFERO (142nd):

And through you, Mr. Speaker, would we -- if they were allowed by the State to lease out the building, who gets the rent income?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

I'm sorry, Mr. Speaker. Could he please repeat the question.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Cafero, would you please repeat the question, sir.

REP. CAFERO (142nd):

Thank you. With -- with the permission of the State, if they were able to sublet the building to rent out lab space, or make some other income in any way, who shares in that income? Is that all Jackson Labs or do we get a piece of it?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

A lot of these details we don't have.

REP. CAFERO (142nd):

I know.

REP. WIDLITZ (98th):

So all of that would be in the memorandum of understanding that's negotiated. All those are details which I would like to be able to give you the answer. But we are not the negotiating body, the executive branch is. And until we actually approve the bond issue, they will not negotiate the final agreements, the memorandum of understanding. So we -- you know, everyone has a little frustration with this. Certainly, we would like to know all of the details before we -- we approve a bond issue.

And, certainly, Jackson Laboratories does not want to spend all the time and the money that they did in Florida for two and a half years without a commitment. So it's sort of the chicken and the egg.

But, however, we are not -- we are not the negotiating authority. OPM is the negotiating authority. And the only power in this we have is actually to be assured that it's a good deal for the State of Connecticut and approve the bonding issue.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Cafero.

REP. CAFERO (142nd):

Thank you.

And that's -- that's the rub, Representative Widlitz. How can we tell if it's a good deal if we don't have the details? And you're telling me we can't get the details until we pass the bill.

And what bothers so many people in their normal life experiences, and even in the Florida deal that you mentioned, we learned that for two and a half years they discussed this. That they came up with details as exacting as some of the numbers they have here, in pages upon pages of how they were going to do, and what they were going to do. And it was based on that, that the Florida Legislature or the county government was expected

to vote. Now, it never happened. But at least it was logical that they would have that level of detail.

I'm an attorney by profession. I've represented a lot of developers. And I know many developers have to invest money, not knowing if planning and zoning and wetlands is going to approve the deal. That's, sort of, their skin in the game. That they invest time to map out a deal in as much detail as possible because they're presenting it to an audience, such as this General Assembly, and saying we'd like you to give us 291 million bucks. And maybe, just maybe, one of us might say, okay, but just tell us, how does it work? And when the answer is, we'll tell you once you give it to us, that's tough. Commonsensically, that's tough to accept.

See, here's my thing. You just told us if they reach their financial goals and they have 320 employees at this lab, what happens? We've now ripped up our mortgage. They own the building free and clear. They could -- now we -- we have no say in whether they sublet it, or mortgage it, or take other collateral against it. We have no say.

But what happens if one month after ten years they lay off 200 people, relocate people? So now the total people working at this laboratory isn't 300. Maybe it's 250 or 200. What can we do?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

There is probably not a lot we can do, realistically. That is a highly unlikely scenario. And, you know, as you mentioned, there is risk in any arrangement that you go into going forward like this.

I think, you know, rather than focusing on, if they're going to have ten less jobs than the benchmark requires, or what happens if somebody gets laid off, we need to look at the bigger picture here. The bigger picture is we will have a state-of-the-art world-renowned institute, research institute, right next to our UConn Health Center and our medical school. We will have the advantage of drawing in scientists from all over the world. There will be spinoff jobs.

So we're not looking at this just as the cost of each individual employee at that facility. There will be tremendous spinoff. There will be collaboration with universities, with hospitals. The medical -- what they will be doing is doing the research that will take -- allows a collaborator to take something to market.

The whole idea of this is something that we -- we have been lacking. We have been lacking in providing this kind of incentive, this kind of excitement for the state of Connecticut.

Not too long ago, we had -- we had Pfizer moving jobs out of state. Why did they do that? They actually said they did that because there was nowhere for them to go into Connecticut. We didn't have all of this infrastructure in place. North Carolina did it years ago. They are spinning off 1800 jobs a year, on an average, every year, growing and growing and growing.

We can't just stay the course. I mean, you yourself have said many times, we haven't had job growth in this state in 20 years. It's time to take this opportunity to draw in the potential that we have for Connecticut for our young people. Our

young people are leaving.

This is -- this is an arena. The growth in bioscience is projected to be 11 percent a year. Even if we look at half of that, it would be a boost for the economy in the State. So, you know, we don't have every single detail. We have to -- we have to have faith in our -- our leadership and our executive branch. They want this to be successful. This is an exciting opportunity for Connecticut.

Is it's totally risk free? Of course not. Nothing worth doing is -- is risk free totally. But every indication from -- from the studies that have been done -- our economic and development agency has done a REMI-based study along with a Price Waterhouse Coopers study. All of these things point to -- this is the growing field for Connecticut. It's a good fit. We have the -- we have the intellectual infrastructure here. This is the place.

You know, I have to read to you a quote from Fred Carstensen that I thought hit it right on the head. In an e-mail that I received this morning, and I'll quote from Fred, who's an economist at

UConn, as you know. I will tell you this is not a case of the government picking winners. Jackson Labs is the Mercedes-Benz brand of medical research. It's an extraordinary coup for the State, its citizens, and its economic future. It transforms the extravagant $840 million bet that Governor Malloy made with BioSciences Connecticut into as close as a sure thing as I think it would have been possible to achieve. A high risk bet has won.

I -- you know, we -- we could be pessimists and -- and pick this to pieces, and analyze it according to every job at the lab, but the picture is much bigger here. And I don't fault you for scrutinizing every number that's -- that we're given. That's our responsibility. But I really feel very confident in saying that this is a risk very well worth taking.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Cafero.

REP. CAFERO (142nd):

Thank you, Mr. Speaker.

Representative Widlitz, I truly appreciate

those words. But let me just say one thing. As I mentioned before, I'm an attorney by profession. And attorneys make their bones by preparing contracts. And the -- the hope always is is that contract gets filed away and never looked at, because everything we hope that goes right goes right. But contracts are made when things don't go right. And we have a responsibility to make sure, to the best extent possible, that we minimize those risks.

You know, as you were speaking, I was thinking -- I thought back to, say, January 1st of 2008. Maybe people all over this country were ringing in that new year. And I don't know the guys name, but I picture the president of Lehman Brothers toasting his family and colleagues to another good year. The president of Merrill Lynch saying to another great year.

And I believe with all their heart they believed they had an excellent management team, a world-class company for hundreds of years. And they, nor anyone in this room, ever dreamed or fathomed that in less than 12 months there would be no Lehman Brothers. There would be no Merrill

Lynch. That people who had saved their money for years and years and years would be wiped out. No one ever expected that. No one ever wanted it. And I bet you you couldn't find three economists that would have predicted it. But guess what, folks, stuff happens. Stuff happens. And it's our job to make sure, yes, it's a risk, but that we minimize that risk.

And when I hear, stop scrutinizing, look to the future. Look what we could have. Of course, I want that. Let me tell you my personal story with Jackson Labs. Myself and the rest of the leaders were called to the Governor's office on September 26th. It was a Monday. And on that day, he said that he had a special announcement he couldn't reveal, but hopefully would be calling us in because he would have buttoned it down. We were all surprised and excited to hear the news.

And two days later, on the 28th of September, less than a month from today, he shared with myself and Senator McKinney, after sharing with Senator Williams and Speaker Donovan the broad details of the Jackson Lab bill. There was no one in the room except for maybe the Governor's chief of staff that

was as excited as I was. And I didn't even know what the hell geonomes, whatever the heck they are.

But if you saw the excitement and the possibilities as you describe, you couldn't help but be excited. They were vague on the parameters of the deal, but I -- I wanted it to happen. The next day the Governor was gracious enough to invite myself and all the leaders to a reception, and I met some fantastic people at Jackson Labs. I met their incoming president, Dr. Ed Liu, a charming, brilliant, knowledgeable, optimistic man.

And I sat next to him at dinner, and I looked him in the eye, and I said, Dr. Liu, why do you want to be in Connecticut? What happened in Florida? Why don't you want to be there? Are you looking for the state that gives you the most dough? He said, no, Larry. He said when I got hired by Jackson Labs, it was at the end of the Florida thing. And I said why do we want to be there? We want to be in Connecticut. It's geography. We're halfway between Boston and New York. We get to work with two world-class institutions, be on the campus of one of them.

You could traverse the whole state in less

than two hours. You could be in New York in two hours and Boston two hours the other way. That's different. That's unique. They can't duplicate that in Kansas or Tennessee or South Carolina. And I'm thinking at this time, that means something to this man. I believed him. I believe him to this day he wants to be here. But I assume that had a value to it. That even if a State were to offer him more money, he'd still want to come here, because I believed every word he said.

And then the details came out. And I worked with the administration, even developed a Q & A so we could get this done. I said at a public hearing -- a public press conference, I want to get to yes, but we've got some questions. And we understand it's a risk. But we've got some questions.

I invited Jackson Labs into our caucus. I wanted to accommodate them so I invited the Senate Republicans. For two hours they were gracious enough to stay there. But at that stage, they'll be the first to admit they didn't have all the answers. They wanted to get back to us.

We asked, for instance -- one member of our

caucus said what do you hope to make by -- (inaudible) possibly your royalties on the sale of your intellectual property? And they presented this financial projection, that after 20 years, 20 years in operation, they hope to make in royalties $10 million.

It became evident in our caucus that there was concern about the security. And even though the general parameters of the deal might be able to happen, we thought we'd be a little more secure if we could retain ownership of the building until they met some of these goals, and at that point, turn it over to them. So they wouldn't have a liability to the State because we own the building. And it was pretty appropriate and commonsensical for us to own the building because it was sitting on our land. And it was sitting on our land at a medical school.

So that, God forbid, if this whole thing went haywire, and Jackson Labs was like a Lehman Brothers or a Merrill Lynch no longer, at least we had a building we owned, on our land, next to a medical center. You've got to figure we'd put it to use.

But we were surprised to learn, no. You're not going to own the building. We're going to own the building, and you've got a lien on it. But after ten years, you don't have that either. So a lot of people got a little squeamish about it. We made our concerns known, as you said Representative Widlitz, to the administration.

We said there's a very easy way that we can have the same result, but it would give us a little more security because we are put in a risk. We're putting that money up front.

See, Jackson labs said, yes, they're going to invest $811 million. But they were first to admit, it ain't going to be their money. They're going to get it from the federal government grants and philanthropy.

Well, God forbid, if this recession hits another bump, we're already hearing from Washington there might not be as much money as they once had. And maybe that philanthropist ain't going to have enough change in his pocket to give. So he might fall short. And if it does, how does that affect us?

So those were really common sense questions.

So a bunch of us approached the administration and said what if we just tweak it a little bit? We own the building. When they get the 300 jobs, we'll give them the building. Everyone said it sounds very reasonable, very rational.

I had the opportunity to meet the vice president when we had our public hearings. I brought the same thing to his attention. He said, I've got to admit that sounds pretty reasonable to me.

And just two days ago, I got a call from the president from Singapore. We had a beautiful conversation. Dr. Liu, fantastic man. And he said I want to work to get it here. I said, Doc, you've got to help me a little bit. There's a couple of us that just want to have a little more security. We could work this out so there's not a glitch in what you plan on doing. It's only a matter of us holding title to a property.

He said, Larry, what you said is very fair and reasonable. Let me get to work. And then all of a sudden, in less than 24 hours, bam, it was over. I was told that's nonnegotiable. That will not happen. It is imperative to Jackson Laboratories

that they have title to the building.

Why, I said. I understand they can't mortgage the building, because we would have the first mortgage. I was told it's a balance sheet issue. You have a liability. You have to have an asset. I said, well, they wouldn't have a liability so they don't need the asset. I was told a whole bunch of things. And I'm not the sharpest knife in the drawer, but I'm not a dummy either. And it didn't make sense. And it seemed like such a little change. Enough to give us, in these tough times, security, as we pour in $291 million within a ten-year period.

Why didn't it happen? Why shouldn't it happen, especially in light of the fact we don't have the answers to these questions. I had a board member from Jackson Labs call me, and she said, well, Larry, just get the bill passed and we can negotiate all this stuff later.

I said, what? You mean, we? I'm not going to be there. We get one shot at this. It's Wednesday. We make our decision Wednesday and we're gone. We're out of the picture. So give us a little help. Give us a little security. I said,

you know, at the same time we're talking about Jackson Labs, we hear the great news about NBC Studios and Blue Sky Studios. And to some people, they scratch their head because they say, hold on a second. NBC Studios is moving to Stamford. They're retaining 137 jobs, and they're bringing 450 jobs in less than two years. And we're giving them 35 million bucks.

So for 35 million bucks, we get a studio that they build, they paid for, and 435 jobs. Blue Sky Studios, they're renting a studio. We're giving them 3 million bucks. They're bringing in 70 jobs.

So when you juxtapose this with that, you say, I don't get it. 35 million bucks for 415 jobs. 300 million bucks for 300 jobs in ten years? Now, I'm not going to dare compare the kind of jobs we hope to create at Jackson Labs. But you can't blame someone for saying, geez, that sort of doesn't sound right. So at least let us hold title to the building.

And when you say, well, just trust it, it's going to work out. The administration -- of course the administration wants it to work, and of course Jackson Labs wants it to work. But stuff happens.

Now you might say, well, if it does, it's not going to happen on my watch because it ain't going to happen within the next ten years. I'm out of here. But, folks, we have a bigger responsibility than that. We're the trustees of the public dough. And with all due respect to all of us -- not so sure we're going to get high ratings on our progress thus far, which brings even more pressure to us on this time.

Do we just say, no, we don't invest anything, it's bad economic times? Of course not. We do have to take a risk, Representative Widlitz. But we have an obligation to minimize that risk. And, you know, what's so sad? Of the 187 legislators that are in this building, not one of us knows any more than what you just learned right now. That's it.

We don't know what happens if they dip down in their employee count. We don't know what happens if, in year 15, they don't reach their $811 million goal. We don't know what happens if they screw up in year four and they're still at three employees. We don't know these things. And yet, we are about to make a vote.

Folks, you've got to believe, with every fiber in my body, I wanted this thing to work. These people are wonderful people. They do incredible work. God, I would -- the thought of them being in Connecticut and doing what they hope to do is so exciting. And I understand there's going to be a price to pay. They're not just going to walk in and do it for free. But we've got to be responsible for that.

I'm not talking about major changes. I'm talking about little tweaks. I had one person say to me, well, we don't have enough time. I said what do you mean? Well, you're voting on it Wednesday. I said, with all due respect, you can't go there, that dog doesn't hunt. Because, of the one hand, you said you had to do it quick. And we couldn't wait a couple of months to get the details and do this in February. And then when we say, well, we'd like to make some changes, you say, we can't because we've got to do it on Wednesday. You can't have it both ways. But that's what we put -- put in.

You know, I read a little Q & A handed out, I believe by, the administration. It said a lot of

people were asking why do we got to do this now for, since we don't have these answers? Can't we do it in February? It's four months away. And the response to this Q & A was why not? (Inaudible). There's a lot of reasons why not. Because we don't know what the hell we're voting on. That's what's scary.

Listen, I'm pretty much sure how this vote is going to go down. And let me tell you something. In my 19 years in this building, I never hoped so bad that this vote that I'm going to take, which is a no vote, is wrong.

I would relish people coming up to me and say, well, Cafero, you blew that one. Look at how well Jackson Labs is doing. Believe me, as a father of three kids, as a relative of people who suffer from diseases that maybe could be cured by these people, I want them here. I want them here with all my heart. But you've got to work with us. You've got to work with us, because we took an oath. That we represent 23,000-plus people each. That we'd watch over their money. That we'd invest it wisely.

And how the hell can we look them in the eye and say, I did this on the blind because I didn't

have any answers? I find it difficult to do that, and I hope to God I'm wrong. But, folks, stuff happens. Stuff happens.

Thank you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you very much, sir.

Will you remark further?

Representative Hetherington of the 125th, you have the floor, sir.

REP. HETHERINGTON (125th):

Thank you, Mr. Speaker.

If I may, through you, to the proponent.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz, please prepare yourself.

REP. HETHERINGTON (125th):

I -- I apologizé if -- if I'm being somewhat redundant, but I only saw the text of this bill a little earlier. And I've listened to the terms that the Representative gave us, the terms of the -- the progress of payment, the consequences of failure to create jobs, the term, the ownership of the building.

In fact, those terms are nowhere in this bill.

Is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

The terms of the contract, the agreement between Jackson Labs and the State of Connecticut, is negotiated by the executive branch. And I think, as I stated earlier, our authority here is to authorize the bonding. The MOU that will be negotiated by the executive branch will have to come before the state Bond commission, as well the whole schedule of bonding that goes with this.

But the bill itself, you're right, is very -- is very narrow. It's just establishing, within Connecticut Innovations, this fund that will be used to promote the bioscience under -- under the conditions outlined in the bill, which will allow us to negotiate with -- with Jackson labs and, hopefully, secure bringing them to Connecticut.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Hetherington.

REP. HETHERINGTON (125th):

I -- I thank the -- the gentlelady.

Through you, Mr. Speaker. In fact, the name "Jackson Labs" doesn't appear anywhere in the bill. Is that correct?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker, that is correct. It is not appropriate to put in statutory language. We do not identify a particular business or -- within a statute.

We are forming this fund with -- for the terms of the -- of the bill before us, we are establishing this program, establishing the fund within Connecticut Innovations, that will allow us to go forward with negotiating with Jackson Labs.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you.

Through you, Mr. Speaker. So if tomorrow

morning Mercedes-Benz Labs showed up and proposed a different deal than that which we understand, through what is reported to be -- likely to be in the memorandum of understanding, we'd be free to go with Mercedes-Benz rather than Jackson. Is that right?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

I think, under the terms of the statutory language, that would be a decision that would be made by the board of Connecticut Innovations.

Through you.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you. That's -- that would be my -- my reading as well.

Through you, Mr. Speaker, are there any other states actively competing with us for an opportunity to bring Jackson Labs into that state?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker, I do not have specific knowledge of particular states. But it has been conveyed to us, by the people at Jackson Labs, that, yes, other states have contacted them. If this deal should fall through, they are very much interested in going forward.

I'd also just like to mention there has been press in Florida, a headline in the St. Petersburg Times, as biotech jobs go elsewhere, Floridians wonder, what happened? I think they dropped the ball in Florida. That's the way the Florida press is reporting it. And if we do the same, we may find ourselves in the same situation.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you. And I thank the -- the gentlelady for her explanation and responses.

What troubles me, Mr. Speaker, is I'm not sure what our action signifies here. We have a blanket

authorization to give to the Connecticut Innovations authority to negotiate on terms and conditions, as they may approve, an agreement to build a laboratory.

I guess, the idea of providing a blanket authorization is not so shocking. It's a good purpose, but it's somewhat of a surprise, in view of the substantial amount of purported information that's been distributed about a tentative arrangement -- arrangement with Jackson Laboratories.

I don't know why -- I don't understand why, given the fact that there is no identified competitor for the facilities, I don't know why we need proceed without having access to the memorandum of understanding, without being able to have responses based upon an actual memorandum of understanding. So the question of our oversight responsibility is -- is troubling.

It's hard to understand why are we being asked to issue a blanket authorization without information. A blanket authorization blind, in effect, when there is no argument compelling or otherwise, as to why it must come ahead of any

developed details of the proposed transaction.

I, frankly, don't know how I'm going to vote on this. I was very much impressed with the personnel of Jackson Laboratories. Everything I've read about them is wholly laudatory. And I strongly believe that -- that the work that they are engaged in is to be encouraged, holds out great hope, holds out great hope for everyone. But I don't know why the Legislature is now being asked to act in advance of the details of the transaction.

If -- if that was to be what we are being asked to do, that might have been treated with a little more candor in the beginning, instead of -- instead of a -- an elaborate presentation about the terms and conditions and the identity of Jackson Laboratories. That when, in fact, there was nothing, is nothing certain, at least as far as we know, with respect to the terms and conditions.

So I -- I'm troubled. And I -- I would think we would all be examining our conscience as to what our responsibility is here. Whether, in spite of what appeared as this was developed, we are being asked to issue a blank check. And I'll listen to

the further remarks with respect and a tentativeness, but that continues to trouble me.

Thank you -- through you -- thank you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you very much, sir.

Will you remark further?

Representative Mikutel of the 45th, you have the floor, sir.

REP. MIKUTEL (45th):

Yes. Thank you, Mr. Speaker.

When -- when it comes to the Jackson Labs deal, I'm keeping an open mind on this. I intend to listen to the debate and, hopefully, I can be convinced, with the sound arguments, as to why we should be providing these kind of incentives to bring Jackson Labs into the state.

Now, I'm familiar with the arguments in favor of it. It would put Connecticut in the forefront of the growth industry, biomedical science. I believe Jackson Labs is a good fit for the State of Connecticut. They're good paying jobs. It could be the way to reinvent the State of Connecticut, jump-start -- jump-start our sluggish economy. And

I like the idea of being in the -- the personalized medicine field, where, hopefully, we can find cures for diseases that -- deadly diseases that can benefit mankind. Those are all good things, and I get all of that.

On -- on the flip side, what concerns me is the lack of royalties for intellectual properties. We are investing a lot of money in the UConn Health Center and Jackson Labs, and is my -- correct me if I'm wrong, but I don't know if we have any royalties coming to the state. And I know that in Florida, they were on the -- the proposal there was Florida would get 10 percent royalties on the intellectual property.

So I hope that if that's not in -- and I don't think it is in the package -- that our leadership will see to it that maybe that's the way the final deal comes about. We should recapture some of our investment, and royalties is one way to do that.

I'm a little concerned about the lack of transparency. I think we're all concerned about the lack of transparency. And it bothers me that we don't have all the details in front of us to vote. This question as to the job multiplier,

whether or not we're going to get these 6,000 spinoff jobs. The -- the normal multiplier in projects like this is five, and we're using a multiplier, I believe, of ten. So this question is there.

So the idea here is to minimize the risk to the State of Connecticut in making this kind of investment. Now, it was said before that we all want Jackson Labs to be here, and that's true. We all want Jackson Labs to be here. It's a great outfit. It would be an asset to the state. It's all about the deal. Right? It's all about the deal, and how do we -- how do we craft the deal that minimizes the State's risk in doing that?

Did we get the best deal? I don't know. I don't know if anyone here can answer that question, did we get the best deal? Is there risk? Yeah. We know there's risk here. I invest in the market periodically, and I tell you, hope is no part of my equation when you invest in the market. You don't have hope. You've got to -- you've got to base your decisions on knowledge. Experience is a good thing, but hope and trust -- when you get to hope and trust in -- in the stock market, you're going

to be in for a bad ride.

So we're placing hope and trust in the -- in the administration that they will do -- and answer some of the questions that I have, and -- and make sure that they will protect the best interests of the State. But I have a few questions for the proponent of the bill.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz, please prepare yourself.

Please proceed, Representative Mikutel.

REP. MIKUTEL (45th):

Yes. A few questions, Representative. Trying to get a comfort level here on some things, and we hear things bandied about. And of the -- of the 6,000 spinoff jobs, is that coming directly from the Jackson Lab project or does it represent all bioscience jobs in the state?

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

I am not an expert on analyzing that study. But I will share with you that I think what those

numbers are indicating, is that when Jackson Labs establishes a presence in the State of Connecticut there are -- they will be -- they will be doing research which brings things to market in other places, other businesses. They will be doing all kinds of research that assists medical advances.

So there are -- there are spinoffs of all different kinds. Some are direct. Some are hiring lab technicians. Some are -- some are hiring restaurant workers in the local vicinity when more people come in. Some are -- there are a significant number of construction jobs early in this process for the facility itself.

There will be people relocating to this area. There will be homes sold. There will be all kinds of spinoffs, some directly related to the lab itself, some as a consequence of the generation of more activity.

REP. MIKUTEL (45th):

Right. I guess, my question, specifically, is the six -- the 6,000 figure they're using, those are spinoff jobs directly related to the Jackson Labs project and not -- not statewide bioscience jobs from every other place.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

Is my understanding that it will be a direct spinoff from Jackson Labs.

REP. MIKUTEL (45th):

Okay. Thank you very much.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Mikutel.

REP. MIKUTEL (45th):

Through you, Mr. Speaker.

Jackson Lab, up in Maine, experimented -- experiments with -- with mice, and in a way that, it has been said, that this is a new venture for Jackson Labs. It's moving from experimenting with mice to personalized medicine with human beings. So, in that respect, it's a new venture, so it carries with it more risk. That's what -- that's what is being alleged.

Do you feel -- do we have some comfort level -- can you give me some comfort level that with this new venture into personalized medicine, that they are more apt to be successful in that?

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Mr. Speaker.

Through you, let me give you an example that was given to us by one of the representatives from the lab.

Just as an example, lung cancer. There are 400 types of lung cancer. Now, with the research that the Jackson Labs can do with the genome, now it's my -- if I'm recollecting this correctly, we have, in our cells, in each one of our cells in our body, I think the number was 20,000 genes. Now, if you can pinpoint for a patient who has lung cancer what type of gene they have that will react with a certain medication or a certain medical procedure, then you can avoid all the trials and tribulations of trying things that you know will not work. They've been researched.

This is the type of research that they will be doing -- one of the examples -- that will allow patients to be treated on a personal level, where a treatment is targeted directly to their specific need because of the research that's done at this

lab.

So do I think it's a risk? I think it's off-the-wall exciting. That this could be a frontier in medicine that Connecticut is on the forefront of. So, you know, as we said before, anything is a risk. This one -- with -- especially with the affiliation with the UConn Medical Center or Hartford Hospital, all of the hospitals in the area and in the state, I just don't see that this is such a risk to transform their operation into -- into this type of focus.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Mikutel.

REP. MIKUTEL (45th):

Yes. Thank you, Mr. Speaker.

Through you, Mr. Speaker. Jackson Labs is -- is putting up $3 for every dollar that the state puts up. How secure is their part of the funding for the project, and where -- where do they anticipate getting their -- their portion of the funds?

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

They do get grants from the National Institute of Health. They do get philanthropic donations. And they do actually sell, I think, through the -- mostly through the mouse product, they do sell their product on the market to laboratories that need mice that are genetically altered for the purposes of such research.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Mikutel.

REP. MIKUTEL (45th):

Thank you.

Through you, Mr. Speaker.

Could Jackson Lab, in your opinion or in the opinion of others, they're seeking the state assistance because they could not pull this project off by themselves?

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

I don't think there was ever a proposal that I'm aware of to -- for them to do this

independently. They are looking for a collaborative situation.

Also, understand, they are a nonprofit research institution. It's very important for them to put their -- their profits from -- it could be royalties. It could be any of the other sources we previously discussed. They put them right back into the research and the facility. So it's important for them to have a collaboration.

I will tell you, in Florida, that's been -- that's been mentioned frequently, about why, you know, why didn't it work out in Florida? Florida was a rather interesting situation where Jeb Bush, when he was governor in Florida, had a real focus on bioscience. He wanted to build that. And they started to do that and they did bring in companies. I believe Squibb was one.

But as the -- as he went out of office and the next governor came in, the focus was different. So it's not that they weren't looking to build collaborations there. They were.

It also is a much -- in Florida, there is a much heavier focus on financing from the county level. And as budgets were cut and money was not

available, the climate that presented itself was not really conducive to Jackson Labs actually ever making a proposal.

So, it is to their benefit to be in an area where there is collaboration. It is in the State's benefit to be part of that to have them here. So that's the -- the deal that they're looking for.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Mikutel.

REP. MIKUTEL (45th):

Yeah. Thank you, Mr. Speaker.

I'll just end by saying that I believe this is a very important debate we're having and a very important matter before us that really will set the future of the State of Connecticut. So I'm going to listen to this debate.

Thank you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you very much, sir.

Will you remark further?

Representative Srinivasan of the 31st, you have the floor, sir.

REP. SRINIVASAN (31st):

Thank you, Mr. Speaker.

I do want Jackson Laboratories or the Mercedes-Benz Laboratories to come to Connecticut. Personalized medicine is the way of the future. That is the only way we are going to be more effective and contain our costs in managing our patients.

So what is the future, 2012, 2014 going out? No question at all, it's personalized medicine. It is the way to go. But my concerns are, and through you, to the proponent of the bill, Mr. Speaker, I have a few questions.

DEPUTY SPEAKER ARESIMOWICZ:

Please proceed, sir.

REP. SRINIVASAN (31st):

Thank you, sir. The -- we talked about a leap in faith. And when you go from mice to human beings, treatment is not for the mice. Treatment begins with the mice, we all know that. And that's what these people have been selling or marketing for more than a couple of million dollars on an annual basis, when I saw their, you know, what their revenue source is.

It is a long time that it takes from mice to

human beings. We know what impact pharma has. When they're trying to do a medication, spent millions of dollars, at times billions, and at the end of the day, they're not able to use that medication effectively.

So my question, through you, Mr. Speaker, is we are moving from mice to human beings for personalized medicine. Do we have a plan as to -- at what point we are going to be saying, we are ready to cut our losses? We know this is a leap in faith. Obviously, everybody knows that this is research. And at what point, if they come back to us and say, you gave me $300 million, I need X more, and I need Y more, and I need Z more, at what point are we going to say, enough is enough?

And the reason I ask that is, if you look at the history of UConn, UConn Medical Center, we, as a State, have been constantly feeding in to keep that going. And my concern is, much as I want Jackson Labs to come here, much as I want personalized medicine to be the cutting edge -- which is the cutting edge, whether we get it or some other State gets it in this country -- at what point are we willing to cut our losses and say

enough is enough?

Do we have a plan?

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

And I know, as a very prominent physician, that you -- you certainly have these sincere concerns. Part of the plan outlined in the booklet that we have all received from the Jackson Laboratories, they are to -- they are going to leverage their research, along with what's being done at Yale and at UConn, not necessarily on mice, but looking to -- that's part of the collaboration, to pool all of these resources that we have here in Connecticut.

REP. SRINIVASAN (31st):

Right.

REP. WIDLITZ (98th):

So, I -- I think, you know, Jackson Labs has received many Nobel prizes. They are identified as a cancer researcher institute. So, I think, you know, they -- they are the premier world's laboratory when it comes to this type of -- of research. So, I think, coming here and wanting to

collaborate with a structure that's already here, the research that's already being done here on -- on cures for cancer and all kinds of diseases, is part of this.

It's not just using the mice. It's -- it's a -- they may -- they may have collaborations with all kinds of businesses in Connecticut, or businesses that come to Connecticut as a result of they're being here. So I think it's a much broader look at that.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Thank you. Through you, Mr. Speaker.

I still did not get an answer to my question. And that is, at what point are we, as a State, ready to cut our losses? I only hope Jackson Labs is successful. I only hope that personalized medicine becomes the way of the future through Jackson Labs, and not through somebody else. But as a responsible person going to go back to my constituents and say this is how I spent your tax dollar, my tax dollar, after coming on the back of

the -- of the highest tax hike that we just recently did, is this going to be on -- yes, I know you probably may not know a long-term vision. But are we going to encourage, or even consider, if they keep coming back to us, because that is reality.

The reality is that leap from mice to human being is not going to happen overnight. It's going to take years and years of research. So what looks like $300 million today is a lot of money for you and me, on a personal basis. But my concern is that they really will need much, much more than that to sustain themselves over a period of time. And are we, as the State of Connecticut, ready, having paid the first check of $300 million, to keep funding them rather than withdrawing at some point and cutting our losses?

I hope we don't have to, but if we do.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Mr. Speaker.

Through you, I think the only way I can

possibly answer that question is to say that, you know, you never know what will happen in a future General Assembly. I mean, that is -- if you -- if you look at North Carolina, as an example, it does take years, but they started years ago. And now, they are up and running and ready to go.

I think, before you come back to the State of Connecticut for extra money, there are collaborations, there are venture capitalists, there are all kinds of start-up businesses that I -- personally, I can't speak for what would be in the MOU. But I personally would expect them to -- to go in all of those directions before we would consider putting more money in. And, certainly, the language in this bill is a finite number. So that's the only way I could answer your question. It's looking hypothetically into the future, and I don't have that answer.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Through you, Mr. Speaker.

I do want to thank you for that. It is a

hypothetical question, but that has been a concern to me, and I wanted to bring that up to the assembly.

Through you, Mr. Speaker. Earlier on, a mention was made by the previous speaker about royalties. And I'm hoping that Jackson Labs will be successful, very successful, that they will bring in a lot of money.

Are you aware, through you, Mr. Speaker, of what that contract or that relationship is going to be? Because I have heard different things from different people, including the media, as far as royalties are concerned.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

I don't have any knowledge of any arrangements on royalties. And, again, the MOU will be negotiated by the legislative branch, and it would be great if they could put that in. I don't know if they will or not.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Thank you, Mr. Speaker. Through you, Mr. Speaker, one final question, if I may?

And what I've heard, through you, Mr. Speaker, is the -- the ratio between what we, as a State, and our tax dollars are going to put in, is $1 to the $3 that Jackson labs is going to be putting in into this particular project.

What I'm not aware of, or not sure about, is at what time is Jackson Labs bringing in that money. Is it earlier on in this ten, 20-year relationship, or are we funding upfront and they are bringing in the $3 to our dollar much later? Because that $3 has definitely been touted about, that we are just paying a third, and they are paying so much more.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

I think that three to one ratio is a total

project over the 20 years. There are benchmarks along the way that will be evaluated. I know that there -- I think the -- the number that I recall was they would be required to have $295 million investment from other sources before that ten-year period was up, but there will be benchmarks along the way.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Srinivasan.

REP. SRINIVASAN (31st):

And, through you, Mr. Speaker, in case those benchmarks fall short, because we all have to live the reality, and Jackson Labs is depending on the National Institute of Health. They are depending on philanthropy to bring in their funds. And if they are not able to meet those requirements, funding requirements, what is going to be our obligation year one, year two, and going forward?

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, again, Mr. Speaker, that will be

more detailed in the memorandum of understanding. But it's my understanding that if they do not reach these benchmarks, then the loan is not forgivable.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Srinivasan.

REP. SRINIVASAN (31st):

Thank you, Mr. Speaker.

I do want to thank you for giving me those answers. I appreciate that.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you very much, sir.

Representative Candelora of the 86th, you have the floor, sir.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

Mr. Speaker, for me, this debate is -- is really not about Jackson Labs and all the exciting things that they perform in the bioscience industry. But this is about our obligations, as a Legislature, and our judiciary duties to the taxpayers of the State of Connecticut.

And I understand that this industry certainly comes along with many risks. But I think we, as

the -- the institution that holds the purse strings, needs to balance those risks with -- with the tax dollars that are given to us to administer.

This summer I had an opportunity, with other legislators, to visit the UConn Health Center. And it was exciting for me to go through that process and see all the different things that that institution does, many of which complements what this proposal seeks to develop, on the one hand.

On the other hand, when I saw this proposal, I -- I am reminded of the risk in the industry. In our area, we had an industry, Carriage Incorporation. It was a publicly traded company that had investors come in, and they were in the same bioscience market. There, they received mostly federal grants. I don't believe there was any state dollars involved. But many people, including myself, purchased stock in that industry, and there was a lot high hopes in that area. And within about a decade, unfortunately, that company didn't create the jobs that were promised. We ended up seeing about, I think, to the current day, there's about 16 employees at that institution. In their heydays, they had many more. But the fact of

the matter is there are risks through this industry.

When I reviewed the REMI report, so much of our discussion -- or so much of that report was based on the Price Water Coopers, the new science of personalized medicine. And in there, they projected that there is 11 percent growth. And this was, sort of, the premise that Connecticut was basing its job growth on. And when I read the report, I get concerned.

I mean, in the report, it directly cites the fact that this is an industry that has many, many risks. And just to quote a short section here, it says that some businesses have experienced success in the personalized medicine market but there are few viable business models for other organizations to follow. And some of the models that this report sets forth, it doesn't appear that we're following any of them, when I look at what's been given to us. Many of these models suggest more of a partnership, whether it be private-private, private universities or, you know, private-government. There is some sort of partnership. There's some sort of sharing in royalties. And I don't see any

evidence of that.

And, quite frankly, as the questions were being asked -- and I think they're simple questions that could have been answered that don't involve trade secrets -- we didn't get any of those answers. And I think it's our obligation, as a Legislature, to obtain those answers before we take this vote.

It was frustrating for me, after reviewing everything, to be given an opportunity to ask just one question and get a single answer with no follow-up. And, again, it sort of stifled the process. It's stifled our ability to have comfort, not even in the science behind it, because I get there's risk to that science, but to the deal that we're potentially making here today with this vote.

This was a proposal that, seems to me, was well lubricated and went through the process with absolutely no friction whatsoever, and that's not a good way to craft legislation. We need to have the give and take. We need to have the debates. We need to have the public hearing process. That's when our products are at their best.

And what we saw was a proposal that came out

in September, as Representative Cafero pointed out, and we're now voting on a bill today. So in about a month, we're going to spend $300 million. And what makes no sense to me is the way this was packaged to us, in that we combined the operating expenses and revenues with the capital investment. And we sort of created the illusion that Jackson Labs has skin in the game. That they're putting in $3 for every dollar that the State is putting in, and that is not the case.

The reality is that the State of Connecticut is putting in 100 percent of all of the capital expenditures in this project. We're putting in all the funding for the building. And so, it leads me to the next question. Well, why aren't we retaining the asset?

Because, in the tours that were provided to us by the UConn Health Center, it became very clear to me that the laboratory space is a very valuable asset in Connecticut. And we already have bioscience in Connecticut. We -- we are one of the leaders in this -- in the country for bioscience.

So, to say that we need to catch up is certainly not the case. And for us to be giving up

this asset, that the taxpayers of Connecticut have paid for, is a nonstarter for me. And I wish that the State of Connecticut sent that message back, that to give up this asset is a nonstarter. Not even getting into the science piece of it, because again, I think it certainly is a worthy pursuit. Personalized medicine is the way that we are going. But I don't see any state in the union, or any public entity, putting in as much money as the State of Connecticut is, and we are retaining nothing.

So, with that, I cannot support this proposal.

Thank you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you very much, sir.

Representative Adinolfi of the 103rd, you have the floor, sir.

REP. ADINOLFI (103rd):

Thank you, Mr. Speaker.

I'd just like to clear something up, if I may? Through you, to the proponent of the bill, I have a question.

DEPUTY SPEAKER ARESIMOWICZ:

Please proceed, sir.

REP. ADINOLFI (103rd):

On last Wednesday, most of us received a book -- if you were up here for a magazine from -- from Jack, and it was very informative. And I read the whole thing. And what impressed me most was page 7, where they could give their job projections over the year and the cost. And what troubled me most is that we keep on talking about $291 million in bonding over ten years. However, the cost to the State, over 20 years, paying off that loan is $411 million.

Why aren't we making that public, and we're only talking about the 291 million, when it's costing the taxpayers 411 million?

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Mr. Speaker.

There is always the cost of carrying debt on bonding. That's with any bond issue. And you're absolutely right. The total number, over a long period of time, must include the cost to carry the debt. That is actually paid for in the General Fund. We have debt service in -- on the -- in a

line item -- in the General -- in our budget, rather.

My friend here is trying to help me, showing me something in print. I can't see it. I don't have my glasses on.

But, you know, I don't think anyone is trying to keep that a secret. You know, that -- any bond issue carries the cost of -- of the debt. However, if you look at some of the charts that are provided in this magazine, you will see that the economic advantage that is generated from the jobs that will come into Connecticut are actually expected to, sort of, "equalize," I guess, is the right word, the cost of carrying that debt very early in this process.

So, yes, it's there. The activity that will be generated, and the income that we anticipate coming from all this activity, people will be paying income tax on new jobs. There will be new houses built. They will be all kind of activity. That will generate -- that is projected, in those graphs, to generate revenue that will take care of the interest on that debt.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Adinolfi.

REP. ADINOLFI (103rd):

Thank you (inaudible).

Mr. Speaker, then, in actuality, the total cost to the taxpayers, as listed in the book that Jack put out, is $411 million. There's no question about that. That's what they say and that's what Jack says, and I've got to believe them, because they've been pretty forward with us on everything in this book.

The other question that I have is, I keep on reading -- although I don't see it in the bill -- reading it in the media and every meeting I've been to, is that to get this $291 million, they only have to guarantee 300 jobs in ten years. Is -- is that going to be in the memorandum of understanding, or we have to wait and see? This is what they -- has been coming right out of the Governor's office.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Mr. Speaker.

Through you, yes, it is in the memorandum of understanding. We have -- it has been indicated by the executive branch that they would have to, within the ten years, achieve the 300 new jobs plus raise 295 million of the other capital that they were to bring into this venture, and that will -- that will be evaluated in stages. It isn't just all of a sudden, when you get to year ten, you have to come up with those people. There are incremental stages, as you go along, on which they will be evaluated.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Adinolfi.

REP. ADINOLFI (103rd):

Thank you. Also, what I noticed in the same page, page 7 here of the book, is that, in ten years, giving them the benefit -- we're going past 300 jobs. They're guaranteed 339 jobs.

So just taking that into the $411 million is costing us, mathematically, that's costing us $1,212,000 per job. How do we expect to gain that back in tax money from other jobs or spinoffs?

Thank you, Mr. Speaker.

Through you.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

I now have my glasses on.

According to this information that you referred to that we were given on page 8, it refers to the GDP, or the gross domestic product, increases that will be generated by the Jackson project. It indicates that the estimated spinoff activity increased, on average, each year -- will increase by 546.5 million, rather, from 2011 through 2031.

So it's not -- you can't divide the number of jobs at Jackson Labs by the total amount of money we're spending because there are all these other factors that come into it. Increasing our productivity in Connecticut, new jobs, all of the ancillary spinoffs from -- from activity that is created go into that.

So, you know, it's unrealistic just to divide that number by the amount of money and saying that's how much we're paying. This is a much

bigger -- it's a much broader picture than that. And you have to look at it in the total economic realm, I think, of -- of the -- all of the activity that is generated by this.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Adinolfi.

REP. ADINOLFI (103rd):

Through you, Mr. Speaker.

Well, looking at the figure of -- that they project in 2031, of 4,035 spinoff jobs, and dividing that into the 411 million, that's still costing us, over 20 years, $74,349 per job. So I -- I really think -- I'm not asking a question, I'm just making a statement now -- is that this leads me in the wrong direction. Nothing is exact. Nothing is in writing. And until I see something that I -- that I can really concentrate on and look into and believe, I can't support this bill.

Thank you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you very much, sir.

Representative Ritter of the 38th, you have the floor, madam.

REP. E. RITTER (38th):

Thank you, Mr. Speaker.

Mr. Speaker, most of my concerns when I first looked at this were really around the opportunities that I believe it could bring to the State of Connecticut, that I believe it will bring to the State of Connecticut, around our healthcare industry and our ability to continue to educate and provide the professionals that we need to deliver health care to all of us here in the State of Connecticut.

And I just wanted to frame my questions in that context. Because, in these last few years, standing here on the floor of the House and other people who have helped me in these discussions, we've spent an awful lot of time trying to figure out ways to do that.

And when this opportunity, this investment opportunity, first came to me, I will tell you that was my first thought. And that's a lot of my excitement and -- and optimism around looking at it comes from, what I view, as this opportunity to really transform a lot of our health -- health care sector that -- as we know it today.

So I have, Mr. Speaker, a few questions for the proponent of the bill.

DEPUTY SPEAKER ARESIMOWICZ:

Please proceed, madam.

REP. E. RITTER (38th):

Thank you.

Through you, Mr. Speaker, my first question is, it's my understanding that this lab is to be located on the campus at the health center. But I wondered if we could have a little clearer description from the proponent of exactly where that would be.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

It is in close proximity to -- it's a 17-acre parcel of land that it will be located on in proximity to the UConn Health Center and Medical School.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Ritter.

REP. E. RITTER (38th):

Thank you, Mr. Speaker.

I might just follow that up with an assumption that the close proximity -- and that actually is important, I think, for us all to understand -- just how close that would be. So, perhaps, a little more elaboration as to the access that could be afforded by folks that work at the medical school, as well as interact with the research.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

That would -- you're absolutely right. That's an important point because that does provide for collaborative efforts between researchers, professors at the medical school. It also provides interesting opportunities for internships for students at the medical school, businesses that have an issue in the area that they would like to bring forward to those facilities, hospitals that are located in the greater Hartford area -- actually all over the state.

But, I -- I think the biggest impact is that

it will allow for collaboration. And because the UConn facility will actually be developing at the same time as this lab, with our incubator laboratories and the new facility, the new tower, it's an excellent opportunity for everybody to, sort of, form these collaborative relationships because they will all be -- they'll all be looking to establish those relationships starting out together.

And that's really kind of nice, because they will be able to actually form an agenda, a target, that they develop together instead of the new guy coming in and trying to adjust to what somebody who's already there has thoughts on.

So I think it's a great collaborative opportunity, not only for the researchers and the -- and the doctors but the students as well.

Through you, Mr. Speaker.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Ritter.

REP. E. RITTER (38th):

Thank you, Mr. Speaker.

Another questions at the proponent of the bill, and actually she's taken us a little down the

road on this already. We've recently made, as everybody in this Chamber knows, substantial investments at the UConn Health Center. And the big impetus behind a lot of those investments was to provide an opportunity, as I understand it, to attract this kind of infrastructure for future research.

Many of the reasons why we want to do that are to provide opportunities for our students to participate in that research and provide career paths to remain in Connecticut. In addition, the vision was that these investments would provide Connecticut with the -- the ability to attract big outside research investments and the potential for spinoff.

So my first question to the proponent is that it's my recall -- and I remember much of the discussion at the time from her particular to this -- that that is exactly the kind of thing that was contemplated when we first made those investments.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Mr. Speaker.

Yes, the -- the spinoffs were a major proponent -- a major component of the economic activity, so that we not only benefit from these collaborative relationships and the research and the results from the research, but also it's a boost. It's a boost economically for the State of Connecticut.

And, you know, through -- through you, Mr. Speaker, to the chair of the Public Health Committee, in 2005, as you recall, we had a very controversial discussion about whether or not we should fund stem cell research. And I recall going to Mt. Sinai Medical Center in New York City with other legislators from this Chamber, and we had the -- the unbelievable opportunity of meeting with the two head researchers on stem cell. I came out of there so excited. I actually saw a progression of petri dishes with mouse heart stem cells, and they -- as they combined -- in the last petri dish, they actually pulled together and they were beating like a heart muscle would.

I came out of there so excited, and that is part of what -- after sharing that with my

colleagues, that is part of what we were trying to pull together in this state, but we kind of just didn't go to the next step. We funded the stem cell research. We have that research going on in -- at Yale, at UConn, at Wesleyan, I believe, as well, and maybe other places in the State. But this -- we needed the next step. We needed to provide the next infrastructure that's important to take all of these pieces, put them together, and have a bioscience cluster that is state-of-the-art, and will -- and the world will recognize. And Jackson Labs brings that "cohesiveness," I guess, is the word I'm looking for, to that effort.

So I thank you for your question.

(Deputy Speaker Godfrey in the Chair.)

DEPUTY SPEAKER GODFREY:

Representative Ritter.

REP. E. RITTER (38th):

Thank you, Mr. Speaker.

Through you, Mr. Speaker, for the proponent of the bill, we have made other attempts in the past to jump-start or create impetus to growth or expand

existing industries. And I think that one of the things we're all struggling with here in the Chamber is we're -- perhaps haven't been consistently satisfied with all of those results.

And my question for the proponent of the bill really is, if she would please help us understand perhaps why that has not been the case, and what is different about this particular opportunity.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Mr. Speaker. Good evening.

DEPUTY SPEAKER ARESIMOWICZ:

Good evening.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

This opportunity is -- is a little different because we have had failed opportunities. And I -- in your -- your part of the State, we had Pfizer leave with many employees and take them to Massachusetts.

Well, shame on us for that, because we have not provided the infrastructure that they needed.

They didn't have the collaboration. They were in an area where they didn't connect to all of those things, and they left. Because in order to grow and to form alliances with other scientists and research labs, they left. This is very different because we have that infrastructure here now. We have the stem cell research. We have the UConn Health Center. We have the medical school. We have the hospitals.

Jackson Labs will fit -- it marries into the situation very well and it -- every -- every piece complements the other pieces. And I think it's a very different situation and -- that will make us successful.

DEPUTY SPEAKER GODFREY:

Representative Ritter.

REP. E. RITTER (38th):

Thank you, Mr. Speaker.

And I want to thank Representative Widlitz for her answers to my questions. And she is correct. When this proposal first came, my -- to me and to my colleagues, particularly in southeastern Connecticut, one of the first questions we did have in our minds is, well, we've tried this before and

it hasn't done so well for us in southeastern Connecticut. In fact, we're not -- not terribly happy with the results, as we view it today.

And it became apparent, in conversations about this proposal and others that we've looked at, that part of the reason for that was this is exactly what we were not able to provide for those opportunities. And I will tell you that has made a difference for me in how I have viewed this proposal.

Initially, I was perhaps not as enthusiastic and did not feel as certain that it could have the energizing impact, really, not just to the entire health care sector, but well beyond that, into scientific, technical and engineering aspects as well of our economy from the spinoff opportunities. And I feel differently that way, now, Mr. Speaker.

And I understand, particularly from Representative Widlitz's responses, that perhaps in the past we have not always been bold enough to step up and do things in the way, perhaps, we should have. And maybe that was, at the time, with the information we had, the correct answer. But today, we see that has not been working for us.

And it really is for those reasons that I want to not only support this bill but encourage my colleagues to do the same.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, madam.

The gentlewoman from the 143rd, Representative Lavielle.

REP. LAVIELLE (143rd):

Good evening, Mr. Speaker.

Thank you very much. The work that Jackson Labs does and Jackson Labs' reputation is all very exciting. The idea of having them here is very exciting. And that isn't anything that I want to debate or dispute.

There are a number of things, though, about this deal that I find disturbing; some of my constituents find disturbing. Representative Mikutel has brought up a number of those, like the unbalanced distribution of risk, what Connecticut gives up, what Jackson Labs gets, the fact they don't pay taxes, the lack of our portion of royalties, the fact that we have very finite resources, as does every state, and that a very

large portion of those resources would be parked in one place and one industry.

But -- but there's something on top of that that disturbs me more. And it has to do with the actual numbers we have and how we got to them. And, Mr. Speaker, through you, I have just one question for the proponent of the bill.

DEPUTY SPEAKER GODFREY:

Please proceed.

REP. LAVIELLE (143rd):

Thank you.

My question, Mr. Speaker, is, do we have an independent opinion on the valuation of the deal, of how much it is worth, and should be paid?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

I think that would be very difficult without knowing the details of the memorandum of understanding. What we do have is the report from the Price Waterhouse Coopers evaluation and our own Department of Economic and Community Development

has used the REMI method, which has been used consistently in -- in government for evaluations of potential activity.

But I don't know -- without having the details of an MOU, I don't know how you would have an independent evaluation without those details. So, I think the answer is, no, to the best of my knowledge.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Lavielle, you have the floor.

REP. LAVIELLE (143rd):

Thank you, Mr. Speaker. And I thank Representative Widlitz for her answer. I am -- in any acquisition I've ever worked on -- and I understand this is not an acquisition -- but in any contract negotiation I've worked on between the two parties, one party has something to offer and they have an opinion of how much it's worth. And then there's the party who's going to pay for it and they have an opinion of how much they should pay.

And often, when you do know what's being offered, you can evaluate that, or you can ask for an evaluation of that before you decide how much

are going to pay. As my constituents ask me what's the basis for these numbers that we're hearing, the 291, the 99, the building, the duration, what is the substance behind this? What is the reasoning for it? I find I have not had the answers to those questions and can't provide them. And without them, it's -- it's difficult, not only to say are we paying too much, but even are we paying enough?

I mean, I don't have that answer, but it is a lot of money. It is a substantial investment and a substantial risk. And I find, at the moment, that -- that not having that basis is very difficult to rationalize.

Now, it -- it seems that over the past few days, a lot of people have gotten a lot of calls. I -- I had -- Representative Cafero had mentioned he had a call from a Jackson Labs board member, so did I. And I asked that question during that conversation. And the answer I had was, well, it's a unique opportunity, and -- and it's somewhat hard to put a value on a unique opportunity.

With a unique opportunity -- again, I find this troubling -- because that's -- that can be true. But then you often are in a competitive bid

situation and you know you're going to offer 500 because the next highest guy offered 480. And if you're going to get it, you've got to offer 500. And that -- that makes sense to me. But we don't really have that situation now either.

So I feel that we are dependent for what we're offering simply on Jackson Labs' own assessment of what this opportunity is worth to us. And I find having to give that as an answer, to constituents who ask me, very troubling.

And so I'll just close on something. During -- during that conversation -- and I think this was a throwaway, but it made me think -- the board member I spoke to mentioned the attractiveness of exploring the art of the possible. That was the phrase -- and I think it was a throwaway -- but, anyway, the art of the possible -- I think that comes from Bismarck, by the way. I looked it up.

And the art of the possible, there are a lot of possible worlds. But if you don't combine the art of the possible with the science of judgment and informed choice, you might unleash so many possibilities that you won't get the best of all

possible worlds, but maybe something that's much less attractive. And then you can lose control of your destiny and so can the residents of Connecticut.

There's a lot of exciting possibilities here, but I don't think I can sell art without science to my constituents right now. And, strangely, we seem to be without adequate science as we watch the structuring of this deal.

So with great regret -- and I mean that -- I'm going to have to vote no on this bill.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, madam.

The gentleman from New Fairfield, Representative Smith.

REP. SMITH (108th):

Thank you, Mr. Speaker. Nice to see you again.

You know, when this proposal came to our caucus, I must say I was very, very intrigued -- actually, remain very intrigued by this whole concept. I think it's a -- it's an idea that deserves a lot of merit and attention. And I have

gone on record with the caucus and with others that I'm very much in favor of putting Connecticut on the map, having them be the leader in the U.S. for bioscience.

But what I said then, and what I'm going to say tonight is, you know, I just wanted to see some details in terms of, you know, what are we actually voting for?

I'm not afraid to take risks. I'm not afraid to make investments. I know that it takes money to make money. I'm aware of all that. But here's the problem. Here's the problem. We never got the details. We don't know what the benchmarks are. We don't have a memorandum of understanding. We have a dialogue, and dialogue is good, and it should continue. And a memorandum of understanding then should be presented to this Chamber so we can actually vote on something yes or no with an understanding of what we're voting on.

We don't know whether if Jacks defaults, if we could call the loan. We don't know if we can foreclose. We don't know if we can terminate future advances. We do not know if there's a penalty clause if they leave Connecticut early. We

don't know if they can sublease or not. We don't know any of this. And the reason why is because we don't have an agreement, ladies and gentlemen. We do not have an agreement. We have a very vague open-ended bill. We have a huge commitment to the public.

You and I are simply being asked to sign on the line, with a statement, trust me. We're being asked to sign on the blank dots, trust me. Now I can tell you, I've learned a long time ago, that I put trust in writing. Now, there's a lot of lawyers in this Chamber, but you don't have to be a lawyer to know that what we're being asked to do here tonight is malpractice. It's not something that I would ever do in representing a client. And it's not something that we should do in representing our constituents.

So I would very much love to hear more about this plan. I would very much love to vote in favor of this bill. I would love to see Connecticut put on the map for this type of project. It's -- it's a great opportunity. It really is. It's a wonderful chance to help this economy grow, to make Connecticut a better place, to bring in world-class

people, but you can't do it in a vacuum. You can't do it on a hope and a whim. You have to have details. Trust me. I've been through it.

I've represented people throughout the past 27 years. And unless you have the details, you're setting yourself -- you're setting yourselves up and we're setting ourselves up for failure.

So, thank you, Mr. Speaker. And I would have to vote no on this, but would love to support it at a future time.

DEPUTY SPEAKER GODFREY:

The distinguished chair of the Commerce Committee, Representative Berger of Waterbury.

REP. BERGER (73rd):

Thank you, Mr. Speaker, and good evening.

My -- my comments are not questions to Representative Widlitz, who's been doing an outstanding job defending this important cause here tonight, but just as the way of a comment of levity and then a comment about the process here, and to show the Chamber the different constituencies that we all have.

I received more phone calls about us changing the date of Halloween than having to deal with

what's going to go on with Jackson Labs. So, as we see, the landscape of the State of Connecticut is quite different.

But let's look at what's in Farmington right now. Let's talk about economic development for a minute. You come off of 84 and you have a vacant piece of land there. And what we're going to do as a State, through economic development -- and let's just talk about that for a minute -- is create a building. Create a building there that's state-of-the-art, that's going to be paid for by Jackson Labs, that's going to create jobs, on a vacant piece of land that there's nothing there right now, next to our flagship medical facility.

That's progress. That's having money well spent. Because, at the end of the day, if Jackson Lab is not there, we have a state-of-the-art building next to our flagship university hospital right off of an exit ramp. So if we want to talk about economic development and money well spent, that's money well spent.

Let's talk a little bit about the public hearing. And, certainly, there were comments pro and con on that. And, by the way of a comment on

that, all of this debate and dialogue that we're having tonight is going to be wonderful. Because I'm sure the Governor and his staff are listening; commissioner of DECD is here. She is witnessing and hearing all these comments, and that's going to be part of making a final contract. And there's a lot of good comments that are made here on the Republican side, on the Democratic side, and they make a lot of sense. And let's get those vetted out and into a contract. And I think they make sense.

But in public testimony, scientists -- now these are people that work on the petri dishes, not the people that are the investors. They're really, like, doing the grunt work in the labs. They have come to us and said, you know what, by you doing this as a state, you're going to put the State of the Connecticut on the map. I mean, these are the people that are living this every day.

They're telling us that when you do this, you now have immediately, with instant impact, put the State of Connecticut on the map for this research in a worldwide capacity. And this company is not fly-by-night. Everybody in the chamber has read

what this company is about. They're world-renowned. They're not going anywhere. They're not a venture capital firm. They're not just looking for an angel investor. They're beyond that. They're huge. They're a make-a-difference business in research and medical research. And that gets to my other point, let's create an industry.

We did a bill a little while ago -- 147 to one, I think it was -- and we talked about how we're putting Connecticut on the state -- on the map, both as a country and as a worldwide market, a worldwide market, genetic research, Jackson Labs. History here. History that they can calibrate, and we can gain and reap a benefit from. So what we do there -- economic development, creating an industry and footprint in the state of Connecticut.

I cannot think of a better way for us to use taxpayer dollars, and for us to grow and create the biomedical corridor that will now run from New Haven, 95 to 84, to Storrs, right up to Massachusetts, who eats our lunch on this every day.

But you know what? That's going to stop when

we vote for this today and move it forward. And incorporate, in the final MOU, all the positive, solid comments and opinions that everyone in this chamber here has made tonight.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Gentleman from Bethel, Representative Carter.

REP. CARTER (2nd):

Thank you, Mr. Speaker.

Unlike many of my colleagues, as I rise tonight, I have no regrets whatsoever in voting no on this bill. Now, I believe in bioscience and I believe that Connecticut can be a leader in bioscience. I don't think this is the way to do it. It's a bad investment.

I sat around a room with some business people last week and I explained what had just been given to us and what we were looking at with this opportunity, and they thought I was absolutely crazy. And they said we needed more information. There's no way you can invest $300 million in any organization when you have no idea what it's going to look like. So, on step one, there's just no way to support a bill like this.

Step 2: When you look at -- when you look at the financial report of Jackson Laboratories, they survive on donations. It's a nonprofit. The entire company itself has an operating revenue of $192 million. We're doubling -- we're doubling what we're going to give them, which is one year of their operating revenue right off the bat.

I don't think that's the kind of amount that we should donate to a charity when we have no guarantee we're actually going to get this many jobs. Three hundred jobs is not worth $300 million. I'm sorry. And the fact that we're thinking we can get another thousand, 2,000, 3,000, like, where does it end?

When we have as many companies in Connecticut right now that do good work in research, and they've been built over time, I think those are the companies that we need to be looking at. Those are the organizations where we need to be spending our money, not looking at one company that we're going to bring in with a pipe dream.

Because the bottom line is, they can tell us anything we want to hear. And -- and all the research they're doing is good and it's valid. But

I am not in the business of risking my constituent's money when I probably would be better off at the casino, and that's how I honestly feel about it.

It's a great company. I would love to do what we could. I would love to find value out of things we could do to get them here, but $300 million layout, it doesn't work for me. And I am definitely a vote no.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

The gentleman from Manchester, Representative Thompson.

REP. THOMPSON (13th):

Thank you, Mr. Speaker.

To begin with, I would like to identify myself with the remarks made by Representative Berger. I think he described my position rather eloquently, and I would like to add to that some of my own thoughts about what we're doing here as a state and what is happening in America.

The World Health Organization, if any reads their publications, ranked -- the last I saw -- ranked the United States as 37th in the world in

effectiveness in providing health care. They -- we also ranked number one in the cost of our health care. And as a result, I believe, part of the lower ranking than the expenditure is due to the fact that so many of our people do not have access to health care on a regular and routine basis. Many of those people live in poverty areas.

But, in one of the greatest poverty areas in the Middle East and Asia, Doctors Without Borders have, through their work, reached the poorest on the regular basis. In fact, the World Health Organization recognized them for improving the vaccine for measles and the treatment of measles, which benefited millions of the poorest people on earth.

Now, I listened to Dr. -- pardon me, Dr., if I mispronounce your name, but this is the first time I'm saying it solo -- Srinivasan -- I hope that's pretty close -- he made the point, and it was a good point, that the goal of the Jackson Lab is to work on the DNA. And I'm not sure exactly how you described it, but as I understand it, it would make treatment very personal by recognizing exactly the genetic makeup of the patient. So the goal is out

there, and it's a wonderful thing. And I'm sure there are other people investigating this and working on it and so on.

When I read the report that was circulated about the failure of the Laboratory and the state of Florida, rather, a county within the state of Florida, to come to an agreement, and the county walked away from it. And the -- the report then analyzed that, among other things, said one of the major factors there was the governor was not committed to the issue, and that there was no connection to a higher education medical facility. And -- so they, sort of, brushed that off as being -- not brushed it off, but gave that as two of the valid reasons for the county not getting it and Jackson walking away. But the story seemed to indicate that the state had failed on their part.

And I didn't think of that again until tonight, and when Representative Widlitz read the editorial from the St. Petersburg paper down in Florida, which was very critical of the state for walking away from such a wonderful opportunity to invest in this type of research. And we're starting with not only a great state university

medical center, but we also have one of the most renowned medical schools in the nation -- in the nation and in the world at Yale University, who has bought into this and will participate.

And, as Representative Berger has described the excitement that was present at the hearing, the public hearing -- and I was there -- and there were people who spoke highly of the industry that wants to come in here, the company that wants to come here, of their work in the past and their continued good reputation. And I think Representative Cafero made an eloquent argument about some of his reservations. But the one thing he did point out was that he respected the people he met from that organization and was hopeful that he could support it. But for the reasons he mentioned, he could not. And I respect that.

But there has been bipartisan agreement, I think, in this chamber on other issues, the job issue tonight, how we handle certain programs. And one area we did work on together over the years was mental retardation. And as a younger person, some years ago, I once visited every mental retardation institution in our state, got to know the

employees, got to know the program. And we were at the -- Connecticut was at the cutting edge of treatment of the mental retarded.

Since then, we have completely changed and evolved into what I think is another cutting edge by community-based services. We have deinstitutionalized mental retardation. And much of that credit to that deinstitutionalization goes not only to the administrators of that program, but here in this Legislature, when we work together to improve that service.

There is still some need for institutionalizing some of those patients. But generally speaking, because of community acceptance, we are providing excellent services now, I think, and we have the support of the families and the population. And the same thing happened, also, in the treatment of the mentally ill. We have deinstitutionalized that. Some of the horror stories that we used to hear about institutions were probably extreme and maybe overblown, but we found it more effective to treat those patients in the communities as possible, and that has worked.

Another example I might give you is that the Birth to Three program, which we have all supported, has made a big difference in the lives of children born with birth defects. We provide programs from Birth to Three, to Four, to Five. And the results are -- in accounts-based reports, the results are that over 50 percent of those children will not require special education when they start -- begin school. In one report I saw, in 25 percent, the following year will not require special education.

But we took a risk. We invested money in that idea. And now, in education, we're investing money in early childhood. And that can replicate the kinds of results we're getting with the Birth to Three program. It's a good program. We've all invested. I think it's been bipartisan in those programs and they work.

So what I am suggesting is that we have delegated to others, administrators, families, communities, and so on -- a good example -- another good example is the community college system. When we looked at higher education in our state, we recognized one glaring error, one glaring

statistic, kids were not able to afford higher education. We didn't have enough room, did not have enough facilities, so we came up with the idea of community colleges. And people in communities all over our state worked for that.

In my community, we loaned to the system to begin school space, other spaces, and so on. We now have a campus on the grounds of Manchester Community College. It's opened up opportunities to thousands of our kids, all who are with -- reach financially and commuting.

So we have, as a state, worked together on programs. And this, perhaps, is the most important program we have an opportunity to do something about, to get it off the ground, and do it effectively. So I am suggesting that we come together. We support this initiative. We work very hard to put it into effect, and we can defend it.

There is -- as the gentleman up there, there is always a risk when you're investing in something unknown like this, but the risk is worth it. The payoff will be, as the doctor explained, the possibility of pinpointing more exactly the

problems that a patient may have and will get the right treatment, the right medication, and so on.

So I think it's a good investment. There will be a lot of excitement about it. There will be offshoots. They'll be doing a lot more than just the DNA research. They'll continue to provide research in other areas. But it's worth the investment to zero in on this with two great health centers, both at the university and at Yale, and all of the people who came in and testified that day who represent that population.

So I urge your support of this legislation. It's a good investment and some day it may pay great results.

I'd like to end on how many people in this audience -- I asked this question of our caucus -- had diphtheria when they were growing up. Anybody? Anybody? Raise your hand.

Well, I'm the only one in the chamber that had diphtheria. And some predecessor of the Jackson Laboratories came up with a vaccine that prevents diphtheria and has prevented diphtheria from occurring to any of you in this room because they were vaccinated with that. I had the misfortune of

being born before that vaccine was made available. I was a kid in the 30s, and I'm here alive to testify that this is a good investment. Health care, at this level, is always a good investment. And if it's taking a risk, don't worry, we'll succeed.

(Speaker Donovan in the Chair.)

SPEAKER DONOVAN:

Thank you, sir.

Gentleman from the 40th, Representative Moukawsher.

REP. MOUKAWSHER (40th):

Thank you, Mr. Speaker.

Mr. Speaker, in the past, I've spoken against corporate incentives, tax credits, and things of that nature, you know, preferring, if -- if that was possible, to create an environment where we could lower costs for business, create a better climate, and -- and perhaps incentivize business overall in that manner. But we find ourselves now in a -- in a much more difficult situation.

We currently spend billions every year to

compensate for the consequences of underemployment and -- and unemployment. We have a persistent rate of unemployment and we have unenviable record of not -- of failing to create jobs for the last 22 years.

This proposal is a proposal to spend $29 million a year. Yes, it's an investment in -- in the Jackson Laboratory. But it truly and really is an investment in the future of this state.

We have been awaiting a jobs bill from -- from Washington. It's not happening. We find ourselves on our own. If we intend to create jobs in this state, we need to make it happen. The greatest aspect of this investment is that it has a tremendous upside. And we've heard all the different projections about spinoff jobs, creating clusters of bioscience. This -- this particular investment has a tremendous upside and an opportunity for us to create a real nexus of research that is -- that exists but needs further encouragement in this state.

I've learned and I've spoken to scientists, Jackson -- the Jackson Laboratory has a sterling reputation. They're going to own and operate this

facility in Connecticut under the same corporate ownership that they have in Maine. They're putting their full -- their reputation and their full faith and credit on the line in -- in coming to Connecticut and making their investments in this project. They're betting their future, as we are.

I believe this is a bold and yet prudent investment in the future of opportunity in Connecticut, and I -- I believe we must seize it. So I'm -- I'm supporting this -- this measure very wholeheartedly. I think we're going to see a tremendous growth in -- in science and -- and all the associated businesses that will -- will derive from that.

And, again, I think it's a modest bet on a very bright future.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, sir.

Gentleman from the 51st, Representative Rovero.

REP. ROVERO (51st):

Thank you, Mr. Speaker.

Mr. Speaker, I'm asking all my colleagues to

please, please support the Jackson Labs Bill. I'm asking you to support it for a different reason than most reasons you've heard this evening.

As you might know, I voted against the 800 million to 1 billion dollars that was voted on this year for the Farmington medical center. Now, I want you to vote this $300 million to be in conjunction with our Farmington medical center, to support the $800 million, which I did not vote for. But I think the combination of both the Jackson Lab and what's going on at the Farmington center is nothing but a home run. Not only is going to create jobs, it's going to put Connecticut on the map.

Some might say I'm throwing good money after bad money, but I disagree with them. If this facility was going to be built any place by itself, I would probably -- voting against it. But being built on the UConn campus right next to our other labs is going to create a facility that's going to be second to none, and it's going to support the original $800 million we supported.

I heard several people here speak about not knowing what the Governor is going to have in the

final bill. Is he going to go in and negotiate in good faith for the state of Connecticut? A lot of us have known the Governor prior to him becoming governor and we know that he knows what he's doing when it comes to negotiating. He will do the best job that he can do for the state of Connecticut.

So, in closing, again, I ask you please, please let's get on with this wonderful deal for the entire state of Connecticut and vote positive for the Jackson Lab.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, sir.

My good friend from Stratford, Representative Larry Miller.

Good evening, sir.

REP. MILLER (112nd):

Good evening, Mr. Speaker.

I just have some comments. No questions for the lovely lady.

SPEAKER DONOVAN:

I'm sure she's happy to know that.

REP. MILLER (112nd):

I'd just like to say that there's been two

major breakthroughs in the medical field. One is the computer, which allowed programs that had been running maybe for a month or two, now they can do them in a couple weeks. And the second one is a brand new technology breakthrough, stem cells. And Jackson Laboratories has been involved with stem cells a few years back and they still are involved in that when they reengineered some of these mice. They'll take their DNA, and maybe throw some stem cells that might have some kind of a little crooked spot in it where it's going to give them some kind of disease, and then they ship these things out, 2.9 million of them, all over the country to various laboratories and universities, and research laboratories across the country.

I've been going down to Little Rock, Arkansas for the last 13 years. Down there, they're noted for their stem cell transplants. There are roughly about -- between 7 and 8,000 transplants they've done to date, and they've come a long a way. And some of the things they've done is just outstanding and they've prolonged life for a lot of people. And in some cases, they've even cured a couple of people.

So I think that Jackson Labs is a wonderful organization. They do some great things. And they're probably going to do a lot better if they're connected to places like Yale and UConn. We have probably the best stem cell program in the east, and I think it's probably a worthwhile thing to do.

But the financial aspects of it scare me because we have $70 billion worth of unfunded liabilities. We've got the worst debt in the nation, per capita. And our pension system, we're probably the worst in the country with under funding it. We just spent some money on the jobs bill. And here we're asked to pass this bill, which is going cost a ton of money, and something that we're not going to see for quite awhile.

I don't know how I can go back to my district and tell people who are losing their homes, losing their jobs, maybe they've got to take their children out of the college they're at because they don't have the funding to continue to pay. It's just -- we're in bad shape financially. And I think this is not going to make us any better. And I think it probably has a lot of merit, but

financially, it just scares me. And I don't know how we're going deal with this.

You know, not this November, but next November, are we going to see another deficit, and is that the last deficit or are we going to see some more after that? Connecticut has always been the last state out of recessions. And I just feel that while this is worthwhile project, financially, I can't support it. I just think I'd -- I'd get taken over the coals when I get back to my district.

So that's all of my comments, Mr. Speaker, and I thank you.

SPEAKER DONOVAN:

Thank you, sir.

The gentleman from the 68th, Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker, and good evening.

I know that the hour is getting late and we've been at this all day. And I just wanted to make a few comments, in -- in general, about the bill that's before us.

Like so many of you, I want this bill to be a

bill that I can support. I want this concept to be something that I can vote for. What Jackson Labs is offering is unquestionably exciting. We all understand that or we all should understand that. We all should understand that what is before us here today hopefully will be the future of science here in the state of Connecticut. We hope that they will be a good partner for us going forward in the future. But with so many unanswered questions, how can we vote yes on this.

We heard, just here in the debate tonight, there are many unanswered questions. There's many things that we don't know. And yes, I understand that the executive branch is the negotiator of this bill and that's their responsibility, but we're an equal partner in this government. We, as a Legislature, are an equal partner in this government.

We should have those answers before we cast this vote here today. We should expect to have those answers, whether we're Republicans or Democrats, or whether we love the Governor and his progress thus far in his governorship or whether we don't like what he's done so far, we should be

asking and demanding those answers. And we clearly don't have those answers here today.

You know, we've heard a number of things. We've heard Florida dropped the ball and -- and, you know, we picked up the pieces were Florida dropped the ball. I remember reading an article several months ago that Governor Rick Scott, when he was a candidate for governor, said he was against this project when he was a candidate for governor. Now, I don't know whether that's true or not. We don't have an answer to that. But we've heard one story, and now we know there's another side of that story.

We don't know the terms of this agreement. We're being asked to approve -- we, the Legislature, are being asked to approve $292 million. I understand that the Governor's office is negotiating it, and I give them the benefit of the doubt that they think they have negotiated the best deal they possibly could. But we're being asked to approve $292 million and we're saying -- we're being told vote for this and we'll figure it all out later. We can't accept that as an answer.

And, by the way, we're being asked to do this

after a very brief and rushed public hearing process last week, wherein members of the Finance Committee were told after a presentation from the administration and Jackson Labs, you get one question. Each member gets one question.

We went into a joint Labor, Commerce and Finance Committee meeting where the public was invited to testify. And at the beginning of that public hearing, we were told no questions. The public will come and say their peace, and there will be no questions of the public.

Why do we have to do this right now? Why is that today, October 26th, is the day that we have to do this? One of the gentlemen from Jackson Labs testified a few weeks ago that -- that this is not a ultimatum. It doesn't have to be done right now. October 26th is not an ultimatum. That we've got other states that are interested, but it doesn't have to be done on October 26th. Why can't we give a little bit more time and thought to this? Why does it have to be done today? Why are we rushing this through?

You know, earlier today somebody used the example that -- I don't know if it was here on the

House floor or out in the hallway. It's been a long day -- but somebody used the example that, you know, many of us have gone to a car lot and the salesman says here's the car that's perfect for you, and you say, well, I'd like to think about it. And the salesman says, if you -- you can do that, but if you walk away, somebody else might buy that car. So you sort of feel the pressure. Right? You feel the sales pitch. Don't we feel a little bit like the car buyer now? I certainly do. I feel like we're rushed. If we don't do this now, somebody else might scoop it up. But we don't know who. We don't know who we're competing against. We don't know if we're competing against anybody.

We've been told that there's other states that have an interest in this, but we don't know. We don't know. You know, on a big project that was proposed many years ago that went south, the New England Patriot's deal, some of you in this chamber served at that time. I did not. But you may remember that there was a -- or have heard that there was a 9 or 10 or 11 hour public hearing here in the House of Representatives, a long public hearing. Every single member of the public who

wanted to be heard was heard that day. And members of the Legislature were able to ask those people questions. That didn't happen here. That didn't happen here. It was rushed through. And now we're being asked once again just trust us, this will be a good deal.

I want to be able to trust that this is going to be a good deal. And I hope to God that this is a good deal. Because, at the end of the day, we're all residents of Connecticut; Republicans, Democrats, Majority, Minority, Senate, House, all of us. We're all Connecticut residents. We all want what's best for our state. But I think that some of us think we need to take a little bit more time and think about this and get the answers to those questions in a public forum.

You know, we always talk about good government here in this building. We have to have a thorough process. We have to have the public heard. Can we really say that's what happened here? I certainly don't think so.

You know, we heard earlier tonight that we should create an industry. We need to create an industry. Government needs to create an industry.

Why -- why do we have to create an industry? Why? Why does government have to do that? Why is that the government's job? Isn't that the free market's job? Isn't that the small business world's job to create industry, to create jobs?

I know, as Representative Cafero said earlier, it's become very cliche that, you know, government doesn't create jobs, but people do. But it's true, and it's happening in other states. Other states are not creating industries. They're creating an environment where industries can create jobs.

And as we learned earlier, although we hit some base hits with our previous bill, and I'm very supportive of the bill that we passed, we didn't do what we need to do to allow government -- to allow the free market to create jobs. And here we are once again taking a gamble, throwing the dice, and saying, you know what, we hope this works. I hope it works, too. But I'd rather to do it on our terms, with all the questions answered.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

The gentleman from Southbury, Representative O'Neill.

REP. O'NEILL (69th):

Yes, thank you, Mr. Speaker.

If I may, a couple of questions to the proponent.

SPEAKER DONOVAN:

Please proceed, sir.

REP. O'NEILL (69th):

In -- in looking at the document that was distributed to members a few days ago, "The Jacks Genomic Medicine" -- that's how it's entitled -- it looks like an excerpt from a magazine -- there is an explanation of the project and there's Appendix Number 2, which has a 20-year financial projection in it. I guess I would like to direct the chairwoman of the Finance Committee to that so that she will be able to, hopefully, know what I'm asking about.

It's somewhat difficult to read, but I think with a little bit of effort, I have been able to get some of the information. And one -- to me, at least, the key lines in this financial projection is the -- something called the "Net Operating Surplus," that is shown. It has, actually, a bunch of negative numbers for the most part, but it's

a -- a net operating surplus. It -- the -- runs for the first ten years. It shows a grand total of a negative number of something, which I believe is $29 million.

So I guess the first question I would ask is related to this. With respect to that net operating surplus, am I correct in understanding that that is the net effect of both revenues and expenses for the operations of this organization. That they, themselves, are projecting for the Farmington facility.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Mr. Speaker.

Yes, I did find the line. It is very difficult to see and it does show, as you indicated, a negative. You know, I have not -- I have not discussed this particular line item with the Jackson people, so I would assume that your interpretation is correct. It looks like a negative number.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

And -- and looking further along -- along their timeline, it shows that their net operating surplus, again, is a negative number, which I believe is some $47 million, which I guess represents the full 20 years life of the project that's projected out in this financial projection. And -- and so, again, I was going to ask but -- and I guess I will -- is -- is there anything -- any document that the representative was shown to indicate that they have a net operating surplus that is a positive number, or is -- were numbers -- were numbers shown to her that show that this $47 million deficit is, in fact, what is expected to occur in the operations of the Jackson Labs facility in Farmington.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Mr. Speaker.

Through you, I'll direct your attention to the line directly beneath that. And it shows, I believe, a positive number as a -- as a total. So I'm -- I'm not sure that -- that may have been compensated for by something else. I'm really not sure, Mr. Speaker. But it looks like -- it looks like the -- the final number, the total, is a positive number.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

Actually, I was going to get to that line that is below, but I was going to come to that in a moment. Again, hearing the answer, I assume, therefore, that the $47 million deficit is, in fact, what Jackson Labs describes as its net operating surplus.

Below that, however, is another line or section called "Other Operating Support". And, again, there is an item, a line of -- item called "Gifts." That starts in Year 2 with 100, I assume, thousand dollars, and that gradually goes up till

it gets to be, I believe, $10 million in Year 10. And there's a gradual accumulation of gift -- gifts that are being made to Jackson Lab's Farmington operation.

Could I ask the Chair of the Finance Committee what is the source of the gifts? Where are these gifts coming from that are projected in this document?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

I would assume that is philanthropy. They do get some -- they do receive philanthropic donations along with their grants and other sources of revenue. So I would assume that that would fall under the line of gifts.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

Has the -- has there been any indication in --

in the other conversations, or other documents presented to the Chair of the Finance Committee, that would detail what the gifts are projected to -- or who the gifts are projected to come from? What the source of the gift income is? Is there -- beyond just saying that's is philanthropy, is there anything that indicates an expectation of where this gifting is to be coming from?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

I do not recall seeing that information.

Through you.

SPEAKER DONOVAN:

Representative O'Neill.

REP. O'NEILL (69th):

Okay. And below gifts, there is something called "Endowment Income." And again, that starts in what appears to be Year 7 with 200, or is 250,000 -- I can't quite tell -- and it gradually increases during the next couple of years and then seems to sort of flatten out at around $1,200,000.

Approximately, the same question to the Chair of the Finance Committee, is there -- first of all, is there an explanation as to what "Endowment Income" is? Has Jackson Labs provided any detail as to what the source "Endowment Income" is?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

Unfortunately, I do not have that information, sir.

SPEAKER DONOVAN:

Representative O'Neill.

REP. O'NEILL (69th):

Okay. I guess I'd ask the question does -- has Jackson Labs provided a document similar in its informational content to this appendix that I'm -- to which I'm referring. First of all, it's easier to read, but perhaps that provides more detail to the Chair of the Finance Committee.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

We have all received the same information. And I don't have anything that you haven't been -- have access to as well.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

Because, again, as I look at it, this document, which apparently is the only information that any of us have to go on, first of all, it's pretty close to difficult, if not impossible, to read without magnifying glasses, which I'm wearing right now, to try to get some information off of the sheet. That it really isn't the kind of the information that, I think, if any of my clients went to their local banker and looked for a mortgage and presented something that nobody could read, I don't think they'd be able to get the mortgage.

You usually are expected to provide, if you want to just get a couple-hundred-thousand-dollar

home mortgage, you have to provide a lot more information then what's being given to us right now in exchange for $300 million that the Jackson Labs people are looking for. Just a home mortgage. Everybody does these every day in the state of Connecticut and they give a lot more detailed information. And they're able to say where they expect their income to be coming from, and if they have a source of a gift that's supposed to help pay for the down payment on a mortgage, you have to show it. You have to have a gift letter. You have to explain where the money is coming from. And none of that information is forthcoming to us today.

Without the gifts, without the philanthropy that's projected to come from an undisclosed location or endowment income, which is something different, but there's absolutely no explanation as to what "endowment income" really is, then we are left with a net operating deficit that runs into the tens of millions of dollars during the course of the 20 years that Jackson Labs is projecting out in their own document. This isn't somebody else doing it -- making a critical analysis. This is

the Jackson Labs own documentation, which is presumably the best projection that can be made, based on the available information.

Just this little exchange, without -- because there's been a lot more detailed exchanges by other people looking at other aspects of this with respect to the security the state gets, the level of risk that the state is taking, which seemed to me to suggest that this a project that doesn't make financial sense. That doesn't pass the basic requirements that we should have before we give some money to somebody to show that, in fact, that they can make this project succeed, other than by gifts from unknown sources and sources of income that can't be explained or haven't been explained.

It was said earlier that, with respect to investing, that hope is not a strategy. And -- and I think those are words that we should, in fact, embrace when we're looking at this. Whether Jackson Labs builds the facility in Farmington, if they're they going to discover a cure for some of these dreadful diseases that they are studying, they will discover that cure, whether they're here in Farmington, or they remain in Bangor, Maine, or

they build some facility some place else. And if they don't, somebody else will, because that's the nature of this scientific research. These cures will be discovered.

It would be good if we were able to get jobs and help build our economy around a new set of industries that are going to be making these kinds of discoveries over the next ten or twenty or thirty years. But there are going to be unsuccessful companies as well, that don't make the big successful breakthroughs and that are going to leave behind them failed projects, and they're not going to be successful. And the question is, how do we tell which one Jackson Labs is?

Are they going to be the successful one, or are they going to be the one that just didn't quite make it in this new competitive world of genomic investigations? And my impression is that, certainly based on what I've heard tonight, nobody in this chamber is equipped to be able to answer that question. There's hope. There's excitement. There's enthusiasm. But that is not really the same thing as knowing the answers to the questions.

Somebody mentioned just a few minutes ago, one

of my colleagues, that we had a project proposal about the Patriots. And there was excitement and there was enthusiasm, and there was a governor who was determined to make that project go forward. There were questions. And there was an extensive debate at that time. And I started out with the Patriots project very skeptical about whether it made any sense and whether it could ever come to fruition. And as I raised questions, as I went through the documents, I went through the contracts that had been negotiated with the owners of the Patriots, I asked various questions. I said this doesn't make any sense. This other part needs to be changed. And the people on the other side in the administration responded.

And by the time the bill got to be -- to the floor, to a final vote, they had made enough changes in the document, they had addressed the issues that had been raised by myself and others specifically and sufficiently so that it really was hard for me to vote no.

My specific detailed questions and the things that I thought were wrong with the contracts for the Patriots, one by one, were addressed in one way

or another. I still had misgivings and doubts and uncertainties, but I ended up voting yes on that particular project because it was taking a little bit of a leap of faith, which I think we, perhaps, can be expected to do.

But in this case -- in this case, every effort to try to bring about a higher level of comfort to ease concerns and doubts about this project have been rejected. The project has been brought to us as, essentially, a take-it-or-leave-it deal and -- and you better take it quickly because they might go some place else.

Now, we all know the Patriots deal didn't come to fruition because surprise, surprise, the National Football League decided they weren't going to let the Patriots move out of Boston. And that was a great loss to the state of Connecticut because they would have been the national champions, for how many years running, after they didn't move here. And it would have been a lot of prestige. And it would have been a lot of excitement and a lot of enthusiasm, and who knows how many spin-off industries might have been generated. But it didn't come to Connecticut. It

didn't work. And there are a lot of people who have had a lot of skepticism about it. Fortunately, we did not spend tens of millions of dollars before we found out -- or hundreds of millions of dollars that they weren't coming.

With this project, if this doesn't work after four, five, six years, if the NIH grants don't flow as folks at Jackson Labs hope that they will, if the philanthropy doesn't flow as they hope that it will, if the endowment income -- whatever that is -- doesn't come forward, as they hope that it will, then we are liable to be left with a large building that we don't own, that somebody else owns, and we're not really going to know what to do with it, and they're not going to know what to do with it either, except that we'll have spent a couple of hundred million dollars, and maybe more, to try to bring this thing to fruition.

And with so many unanswered questions, it just doesn't seem reasonable to vote yes on this proposal. However attractive the -- the prospect is, that if this thing is built and if it's a success, and if all the spin-offs occur, it will be such an important engine for economic growth. And

yet, we're spending $300 million that are real dollars. And when the interest payments come due, it's closer to $400 million. And that's an awful lot of money in the state of Connecticut.

So, Mr. Speaker, I have to say that, as I hope -- am guessing is nearing the end of the debate, that I have not heard the information that will persuade me to vote yes on this.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, sir.

Representative Coutu of the 47th.

REP. COUTU (47th):

Thank you, Mr. Speaker.

Mr. Speaker, today we're discussing Jackson Labs $411 million investment from the state for a industry that venture capitalists and other groups are maybe unable or don't want to invest in. This is a risky proposition.

And, I guess, where I come from, is a background in finance, you start to analyze things a little bit differently. And when you look at the government, the government is always viewed as safety. You buy government bonds, you buy

municipal bonds because they're safe. The government, you assume, is investing taxpayer dollars in safe areas, making sure the basic functions of our society are being supported through taxes and then them spending them on core services.

It's hard to believe that, in this room, much of the speculation is being based on hope, thinking, and that this is exciting. If we made our decisions in our normal life based on that, we would have a lot of problems inside our home. It would be exciting to buy an 80-inch TV, but we don't buy an 80-inch TV just because it's exciting.

So it's a little bit confusing how people can have that type of opinion and that position when you're looking at $411 million investment with taxpayer dollars. It's hard for me to question are we really doing our due diligence.

When you make an investment in anything, if you were to buy a home and you didn't know the rules or the perimeters of what the home would be, the cost, some of the variables with the mortgage, you wouldn't buy the home. So how can we vote on a piece of legislation where a lot of the Xs, Ys and

Zs are still unknown variables.

I really believe, Mr. Speaker, that far too often, as the numbers get bigger and bigger, it gets easier to say it's only a couple hundred million dollars. A couple years ago we had the big debate on the health care center, $300 million dollars. And there was a lot of questions with that.

Now, we're looking at basically building a biotech campus for a $1.5 billion government investment with the UConn Health Center, and now this facility, that we really are not sure of what the final result will be. And if there's any doubt, that means it's a risky investment. And that means most people would question should the government be investing in that type of operation.

There are some facts that I think are very relevant and I would just like to verify through you, Mr. Speaker, a question to the proponent of the piece of legislation.

SPEAKER DONOVAN:

Please proceed, sir.

REP. COUTU (47th):

Thank you, Mr. Speaker.

I just want to verify, this is a nonprofit operation?

Through you.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

That is correct.

SPEAKER DONOVAN:

Representative Coutu.

REP. COUTU (47th):

And, through you, Mr. Speaker, does that mean this operation will pay no corporate taxes?

Through you.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

That is correct.

SPEAKER DONOVAN:

Representative Coutu.

REP. COUTU (47th):

And, through you, Mr. Speaker, does this mean that this operation -- it's a very big facility,

obviously -- will pay no property taxes to the community that it will be within?

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker.

That is correct.

SPEAKER DONOVAN:

Representative Coutu.

REP. COUTU (47th):

Thank you, Mr. Speaker. And thank you for answering those questions.

These are all the areas where, if the state is investing into an operation, it's probably first of a kind for our state to invest $400 million and -- in an entity that's a nonprofit, that will not have any corporate tax liability -- because we hear this very often in -- outside the private sector, we have people right now. They have a wonderful fort. It looks like a disgruntled fort operating base in the army, but it's still near our -- basically, near this building, and they are complaining that corporations, entities, are not paying enough taxes.

I don't know how many in the public are going to feel knowing that we are spending $411 million, and the entity we're going to quote/unquote invest in will pay no corporate or property taxes. That may be a problem for many people in my district and many people across the state.

Also, what I find what troubling, and the most concern for me, is steady revenue streams for the operation we are investing in. If you invest in a franchise of some other business, usually, you have to have, on paper, solid, stable revenue streams to invest into that corporation or that business.

In this case, we have an entity, which, while it may be exciting and there's a lot of excitement around the whole DNA and biotech field, I think their revenue stream focuses on things such as grants, gifts, endowments. These are not guaranteed. And in a society where the federal government is cutting back, even our government is cutting back grants right now, our state government, we have to have some concern that this entity really doesn't have a stable revenue stream. And in some ways, its questionable what will come in the future.

Mr. Speaker, I agree with some of the speakers that this process, I think, if you're investing $410 in an entity, there's nothing wrong with taking your time and making sure you have all the answers, and also, every T is crossed. We don't know a lot of things. And it's putting the taxpayer in jeopardy, and in my view, the future of our state in an awkward position.

At the end, I look at poor processes and think of things like Solyndra. That's another high, exciting field, green technologies. And this is a high, exciting field. But at the end of the day, it was rushed through, and the ultimate failure was the taxpayers on the hook for $500 million.

Mr. Speaker, it all comes down, to me, to one simple concept. We have raised taxes to the tune of close to $2 billion. And we are picking winners and losers. In this organization, without knowing all the data, without me being able to do my due diligence because I don't have all the information that I need to make a sound decision, knowing the risk associated with this potential investment, I cannot vote yes. To say to one company, which is a nonprofit that won't pay corporate taxes or

property taxes, that we will give you $411 million from taxpayers and businesses across this state, and we hope that you will be able to generate 300 jobs in Year 10. It doesn't add up to me. And I hope some of my colleagues really think this through and make a sound decision based on facts not speculation.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

The distinguished dean of the Connecticut House of Representatives, Representative Mary Mushinsky.

REP. MUSHINSKY (85th):

Thank you, Mr. Speaker.

The Program Review and Investigations Committee passed bipartisan recommendations on economic development in December 2009 when we were more than a year into the latest recession. And this report was a very blunt and uncomfortable assessment of the state's shortcomings and assets. And we felt that we needed to confront our shortcomings and assets honestly to get the state's economy moving again.

The report advised that we return to investing

in economic clusters; that we recognize the knowledge economy and support research and development; that we prioritize, among economic development, recommendations and not try to do everything and we turn the curve on job losses intentionally.

This proposal is an investment in the growth and expansion of the bioscience cluster of high-value jobs, and it is one of the nation's few growth clusters. Gene-based therapy or personalized medicine is the future of medical science. And with this bonding for Jackson Labs, which we'll get from Maine, and the previous authorizations of renovations at UConn Health Center, the state will now be poised to promote an economic cluster that is a good fit for, let's face it, we are a small, cold northern state, but we do have a high concentration of elite colleges. That is our asset. Higher education is our primary asset.

In May, in the Finance Committee, the UConn bill came through, and I did oppose the sudden request for 254.9 million for a rebuilt lab at UConn because I had no information on it. But by

the time the bond request got to the House floor, I did have enough information to understand that the lab proposal was not our usual investment in the bottomless UConn Health Center money pit, but instead, it was a bioscience investment, the type of investment that Program Review and Investigations recommended to grow jobs.

This vote tonight is another commitment. This time, the 291 million, over ten years, to the same bioscience cluster and the total investment, which is what's causing people trouble here, is almost 550 million. And so, obviously, we say is this the right investment? I believe it is, based on the PRI report that an investment in bioscience is a good fit for a state like ours. It will generate spin-off businesses. It will attract federal grants, research grants. And it will bring bright, young researchers and their families to our state.

We will have to rely on Governor Malloy and Economic Development Commissioner Smith to structure a tight memorandum of understanding, because lack of detail is what is causing some concern in the House today, probably the principle hesitation.

But we do have to be honest and admit that we need to find replacements for many of Connecticut's traditional businesses that will not be coming back in order to rebuild our economy. We have to face up to that and please support this investment.

SPEAKER DONOVAN:

Thank you, Madam.

The distinguished Majority Leader, Representative Sharkey.

REP. SHARKEY (88th):

Thank you -- thank you, Mr. Speaker.

I'm going to just briefly summarize the bill before us tonight. The hour is late and I think we've talked about all the things that need to be talked about.

You know, earlier tonight, when we did the other bill on job creation, I talked about turning a corner, and the fact that, I think, we, on a bipartisan basis here in this Legislature, have decided that we want to turn that corner. That we want to make Connecticut a better place for business, a place that we can grow jobs and invest in our future. And in my opinion, and I think for those of us who are supporting this bill, this

Jackson Labs opportunity just furthers that opportunity to turn the corner.

I mentioned earlier in the other bill that the Majority Leader's Job Growth Round Table that has been meeting for the last couple years, with me and my counterpart, Senator Looney, and my predecessor, Representative -- then Representative Merrill, now our Secretary of the State -- there's been one consistent theme that has come out of that jobs round table from all of the -- the best and brightest minds in this state about how to create jobs. And that message has been that we need to make Connecticut a place that has a critical mass of investment in certain key clusters, in certain key areas, that we do well.

Because when you do that, you -- you foster a sense of commitment, a sense that this is the place to be for that particular industry. And success breeds success. And greats minds bring other great minds together when you have the academic institutions of your state, you have government involved, and the private sector invested. That is what this Jackson Labs deal, I think, signifies. It is that opportunity.

Now, look, we've talked a lot about -- tonight about risk. And let's -- let's admit it right now. We've been burnt before in other plans, other programs, other deals. And, understandably, we, as a Legislature, have some reticence about repeating mistakes of the past. That is why there is a desire to ensure, on both sides of this aisle, in good faith.

In this chamber, we've discussed the fact that all of us would like to have some assurance. We would like to know that the risk that we are taking, in terms of our financial investment in this project, is going to reap rewards. And we don't have all those answers tonight because the memorandum of understanding has still yet to be negotiated.

But I personally believe that this governor, our -- our current governor, does not want to repeat the mistakes of the past. I think he understands the fact that there were mistakes made in the past. And I have every assurance from -- and I think those of us who have spoken to the governor's office on both sides of the aisle -- have heard from this governor, who has -- who has

said to us repeatedly, he understands those issues and is going to negotiate the best deal possible for the State of Connecticut with our taxpayers in mind, reducing and minimizing the risk to the state.

Can he eliminate it entirely tonight? No. Can he guarantee that that deal is going to be the ultimate deal? No. We have to take a leap of faith.

Now, six years ago, this Chamber invested in stem cell research. It was an investment that we made in UConn to try to make UConn the center for this type of research. It was a seed that we planted six years ago. And earlier this year, this body and the Senate approved a bond package for Bioscience Connecticut to invest in our UConn Health Center facility in Farmington, for exactly this type of research, to augment the stem cell efforts that we had done six years ago. Those were seeds that we planted. And the Jackson Labs -- those -- those seeds that we planted are exactly the reasons why Jackson Labs has chosen Connecticut as a place where they want to make their investment.

Jackson Labs represents the fruit of those seeds that we planted beginning six years. This is the fruit that comes from those investments and those smart ideas that we tried to establish in the past.

Ladies and gentlemen, we need to harvest that fruit. We have a unique opportunity right now that's presented to us, sooner than many of us even thought. We have that opportunity, because when Jackson Labs comes to Connecticut, they create that critical mass that will -- that will generate the investment that will put Connecticut on the map, make it the center of bioscience technology, one of the fastest growing industries in this country.

Without Jackson Labs, we can continue to struggle to try to put ourselves on the map, but Jackson Labs uniquely -- because of their unique stature internationally, they have the ability to put this all into -- into place right now. Right now. This is the moment.

If we do not the harvest the fruit that we have -- from the seeds that we planted going back six years ago, those efforts, those initiatives, this opportunity will die on the vine. Let's

support this bill and move Connecticut forward.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative.

Staff and guests please come to the well of the House. Members take their seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the chamber. The House is voting by roll call. Members to the chamber, please.

SPEAKER DONOVAN:

Have all the members voted? Have all the members voted?

Will all members check the roll call board to make sure your votes were properly cast.

If all members have voted, the machine will be locked. The Clerk will please take a tally.

Will the Clerk please announce the tally.

THE CLERK:

House Bill 1401.

Total number voting	142
Necessary for passage	72
Those voting Yea	101

Those voting Nay 41

Those absent and not voting 9

SPEAKER DONOVAN:

Emergency certified bill is passed.

Any announcements or introductions?

Representative Sharkey.

REP. SHARKEY (88th):

Good evening, Mr. Speaker.

SPEAKER DONOVAN:

Good evening, sir.

REP. SHARKEY (88th):

Just one announcement. I would -- well, first, I guess, I would move that we send this bill immediately -- transmit this bill immediately to the Governor, Senate Bill 1401.

SPEAKER DONOVAN:

The motion is for me to transmit the last bill to the Governor. Without objection, so ordered.

Representative.

REP. SHARKEY (88th):

Yeah, thank you, Mr. Speaker. I was just informed that one of our members is fast approaching the witching hour for his 41st birthday. Representative Juan Candelaria, if we

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Senator, do you want to proceed?

SENATOR LOONEY:

Thank you, Madam President.

Madam President, would ask the Clerk to call the item appearing on Senate Agenda Number 2 under Emergency Certified Bill's, Senate Bill Number 1401.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Madam President, from Agenda Number 2, Emergency Certified Bill, Senate Bill Number 1401, AN ACT ESTABLISHING THE CONNECTICUT BIOSCIENCE COLLABORATION PROGRAM, introduced by Senator Williams of the 29th and Representative Donovan of the 84th.

THE CHAIR:

Thank you.

Senator Daily.

SENATOR DAILY:

Thank you very much, Madam President. I move the Emergency Certified Bill and seek leave to summarize.

THE CHAIR:

The motion is on -- on approval of the bill.

Will you remark further?

SENATOR DAILY:

Thank you, Madam President.

What we have before us is a very short bill by our standards, only six pages. But this is a transformational bill for the state of Connecticut. We have the opportunity here to invest heavily, mightily in bioscience. We made that investment at the outset when we invested in UConn bioscience labs. And that's already up and working and proving to be a success.

This allows us to invest in Jackson Laboratories. Jackson is an institute of research. They're world renowned. They will bring the highest caliber scientists to our State. But more importantly, they will bring in the end 600 jobs, 300 by year ten, 600 by year 20.

Again, more importantly, are the spinoff jobs that will be created. As an example, in Bar Harbor, where they -- their plant is located, a husband and wife sat down one day and made gloves. They cut out a pattern and made a pair of gloves that scientists could use in their cryogenic

research. That husband and wife have made that pair of gloves into a big national company.

Likewise, there was a man who devised a box in which to store mice. Mice are used heavily, as we know, in research. That company is also now a national company.

Talk about spinoffs, that's exactly the kind of investment we need in Connecticut. It's the kind of investment we've -- have failed to make over the years, and I encourage support from each and every member of this caucus.

There have been questions asked. What happened in Florida? It's a very simple story what happened in Florida. Governor Jeb Bush made a huge investment in bioscience. He tried to get a number of companies to come to that state. Jackson Institute was at the end of that, and the State made an investment. But as we know, they're governed very differently than we are. And counties are the ones that have the most authority -- and this is -- since counties were the ones that had to put up the balance of the money.

They were looking in Collier County, where this became a huge political issue. We know how

many people do not support stem cell research and don't want to be associated with that sort of thing.

They moved on from Collier County to Sarasota County. At the same time that this was happening, the fiscal state of Florida really collapsed. We know how the housing market collapsed and that was really the end of their economy. They didn't have money to put into this. And Jackson had been working for quite some time, and they decided to withdraw. This wasn't going anywhere.

Very luckily, Connecticut contacted them just at that time. Their initial reaction was they really didn't want to bother with this stuff anymore, but Connecticut looked so attractive to them, that they did move and they did meet with our representatives. And they did look at Connecticut, and they found us a wonderful place to invest.

We're investing only a quarter of the money. So when we think about our investment -- and it's sizable and it's something we should consider very seriously -- we have to realize that they're putting in three times more money. They're putting up their reputation to come here.

What they will give us in return for our investment is a lead in bioscience. It will give us a culture of industry that we do not have. It will give us world-class research right here in Farmington.

I urge, again, everybody to support this bill. And I will, after yielding to Senator LeBeau, I'd be very glad to answer any questions.

THE CHAIR:

Senator LeBeau, will you accept the yield?

SENATOR LeBEAU:

Yes, I do, Madam President.

THE CHAIR:

Okay.

SENATOR LeBEAU:

You know, there's been a lot of discussion and debate about this bill and about this investment. And I have to say that I've been thinking, as the Chairman of Commerce for many years, about what is right for Connecticut and where can we go? What can we do? And I have to say this, that this is exactly the right investment at the right time. It's the right industry.

Now, we have other industries, machining,

aerospace, defense, financial industry. Almost all of those are either having problems or recently had problems. But this industry is a growth industry. And it's the right company. This is a world-renowned company. They are the best in their area.

This is genomics company. It's not, as someone has said, it's just about mice, breeding mice. As a matter of fact, I had the occasion to be up at the University of Connecticut about -- before this was announced. And I was talking to a professor, and I saw his mice, actually.

And he's working on a way of constantly monitoring blood sugar levels for diabetics. So you insert a probe into your body and the probe sends a little radio message to your insulin pump on your back and you have a constant correct amount of insulin.

Now what does that do with mice? Well, the mice that they're testing this on were mice that were genomically developed incidentally by Jackson Labs. I had no idea when I saw this, but that's -- I'd be talking about this today. But they had it where -- made a mouse -- talk about build a better

mousetrap, they built a better mouse -- that was actually -- had a propensity for developing diabetes through the use of genomics. And that's what we're talking about here, folks.

We're talking about that ability that they have, that singular ability that they have, to bring that science to Connecticut. And this is the right direction. Because what's the implication of those mice? The implication is personalized medicine.

I mean, we've done this before, but how many people here take Lipitor -- excuse me -- how many people take -- well, I take Lipitor. Is that the right drug for me? Yes. I had to go through three drugs before I found out that was the right one. Meanwhile, I could have been at risk.

In the future, a little blood sample, or little -- even a skin sample, a little bit of my DNA, and they will know which anti HCL drug -- which -- which drug will be right for me to lower my cholesterol, to raise the right cholesterol and to lower the -- the bad cholesterol.

People with osteoporosis, people with Parkinson's disease, people with a whole variety of

diseases will be able to know what is the best . medicine for them because they will know it's a personalized -- it will be a personalized medicine for them based on their DNA and based on the knowledge of what medicines work with that DNA match.

And we are the right state. Connecticut is the right state. We have the -- a -- a large concentration of biomedical companies, over 400. Over 300,000 people are employed in the health and education fields. We have a strong medical device industry to back -- to back up this activity in genomics. And we have so much that's going on for us, and I want to recommend this -- this document to -- to everyone.

It was put out by Northeast Utilities, Succeed Excel Connecticut. It basically says all the good stuff that's going on in Connecticut. And it's not -- and it's not just the good stuff, because we have a great state. And some of the things that really build a basis for this genomics research in Connecticut are we're second in research and development. We're seventh in innovation and patents per capita. We're fifth in science and

engineering, and it goes on.

We are a new -- we are a new economy leader. And that's what this is about, a new economy, to say nothing of our great schools that we have throughout the state, both our elementary, secondary and our colleges, and particularly UConn. And if we didn't do the Connecticut's bioscience initiative we wouldn't be standing here today because this -- this opportunity never would have presented itself.

Tim Bannon could have called and called and called and they wouldn't have answered the phone. But when they heard it was Connecticut calling, they answered the phone. And we're here today to try to bring them here and to help have this explosion by building a critical mass of science and knowledge in the State of Connecticut.

Just a couple of brief quotes, Madam President. The first one is from Roderick Pettigrew, the Director of the National Institute of Health, National Institute of Medical, Biomedical Imaging and Bioengineering. This isn't somebody who's got a vested interest in our Governor or the state of Connecticut. But he says,

the state of Connecticut is quite wise in investing in this sort of activity and it will pay significant dividends. Or a second quote from Pharma, this project is a perfect example of what collaboration between government and the bio pharmaceutical industry can accomplish. Furthermore, it underscores the work of the bioscience Connecticut initiative -- which I just mentioned -- which will link bioscience and the pharmaceutical research facilities around Connecticut.

These are not groups that have a vested interest in us, but they see the opportunity. And that's what this is, folks. This is a tremendous investment opportunity.

This industry is having -- I was talking earlier about being at the right industry. This has -- the biomedical field has an 11 percent growth per year. Why? Because of me and everybody else who's a baby boomer. Because as we get older, we start developing various ailments.

And as somebody said last week in our -- in our -- in one of the hearings that we had, we are more alike now than we will ever be. Sitting in

this room, every member in this room right now is more alike than we'll ever be. As we get older, we are going to become more individual in our maladies and our diseases, and we'll need personalized medicine. And with genomics, we can match that need.

We haven't -- this -- the Chairman, the great chairman of Finance Revenue and Bonding has mentioned the tremendous job growth that -- the potential this year. It is -- that is there. But it will also bring new companies. Examples abound around -- around the country where the Silicon Valley or particularly the research triangle and others may go into some of that, but it will also bring new research money. We've already seen that take -- taking place. We've already seen that taken place at UConn as we invested in stem cells. As we made a relatively small investment, millions and millions of dollars have come. And now, we have our first two companies just starting at the incubator out in -- out in Farmington that are a direct result of our stem cell research.

Today is about vision, our vision for the future of Connecticut. Our vision is a

high-paid -- of having high-paid jobs, of being a state that leads in technology, as being a state that young people want to stay in, where there's exciting opportunities. Again, the right industry.

Now, we're going to hear today about how, perhaps, in some ways of reading this bill -- and they're legitimate -- this may not be a good investment in the short run. And I have to say this. When I look at this project, you know, it's sort of like planting a tree. And some people have said, well, if we take -- it's going to cost us so much to plant the tree, we'll -- we'll plant the tree, then we'll cut it up, and we'll use it -- we'll use if for wood. And the amount of wood we're going to get isn't worth how much it cost to plant the tree. But that's not what it's about.

It's about how many seeds that tree will produce, so we may have a grove of trees or a forest of trees. That's what we're here for today, to have a vision about the future of the State of Connecticut, to plant those seeds, and to have a great forest of innovation, high-technology, and good jobs, good, good jobs, high-paying jobs for the people of the State of Connecticut.

Madam President, I would like to yield to Senator Gerratana.

THE CHAIR:

Senator Gerratana will you accept the yield.

SENATOR GERRATANA:

I'm sorry, Madam President. Thank you.

I will accept the yield.

THE CHAIR:

Thank you.

SENATOR GERRATANA:

Madam President, and members of the Chamber, our State is embarking in a new and bold direction by welcoming Jackson Labs to our state. This is going to ensure our economic future. I am convinced of this. It is a stunning and exciting action on the part of our Governor.

It also positions us to be a leader in translational research. And the laboratories' work, along with our teaching hospitals, will find new ways to control and eradicate such diseases as Alzheimer's, cancer, down syndrome and birth defects.

Now why is this important? It's important because Jackson Laboratories is -- specializes and

works in genomic medicine. What is genomic medicine? It is the medicine of the 21st century, the medicine of the future. We could even call it this century, the 21st century's way of practicing and delivering health care.

Genomic medicine can be best described in this way. You know, we all go into our doctor, our doctor sees us, and we talk about our symptoms, and the doctor prescribes a medication or a modality that will take care of the situation that we are in. But, you know, with some forms of diseases and illness, it is very difficult to take care of them, like cancer and diabetes. And, therefore, the doctor cannot just look at one medication or one modality to treat this particular case. But, with genomic medicine, the doctor can understand the very code of the cells of the disease and also of your body as to what will be the fix, personalized to you. This is personalized medicine. This is the way that medicine will go.

It will be far more efficacious in having Jackson Laboratories working on these kinds of illnesses and diseases. And finding solutions to them, in our state, is very, very exciting. This

is a vast new territory and one that will take us down the road well into the future in securing our economy.

I also want to say that Connecticut, this day, yesterday, I want to mention that UC Davis in California -- in Sacramento, actually signed a similar deal with another genomic institute and laboratory in doing work. But the fact that our State is going to be doing this today is so exciting, and I'm so happy to know that we are now going to be competing, not just in New England, but certainly in the country and in the world.

And what does it mean to the 6th District? It means a future, an economic future, for my grandchildren that live in the 6th District. It also means that we're affecting the health of the whole world, not just here in Connecticut and not just here in the 6th District. This is very exciting. I welcome Jackson Laboratories to my district, the 6th Senatorial District.

Thank you.

THE CHAIR:

Thank you.

Will you remark further?

Senator Daily.

SENATOR DAILY:

Thank you, Madam President.

The bill has been moved, and I'm perfectly willing to answer questions from any colleagues.

THE CHAIR:

Will you remark?

Senator Frantz.

SENATOR FRANTZ:

Thank you, Madam President. And good afternoon, everybody.

I would like to be the -- one, two, three, fourth person to express my enthusiasm and excitement for the fact that Jackson Laboratories may be coming to the state of Connecticut. And -- and I want to take my hat off to Commissioner Smith and others who were involved in making contact with Jackson Labs up in Bar Harbor, Maine -- which, if you've never been there, you should go. It's a very interesting outfit and it's in a beautiful part of the world and it's -- it's absolutely -- as been -- as been pointed out before, a world-class institution that performs a great deal of very important, cutting-edge research and produces mice

to custom tailor the subjects of scientific experiments throughout the world.

There have been Nobel Prizes associated with the institution and we know that there are Nobel Prize winners who have used their mice in the -- in the past.

I also want to thank Jackson Labs for their interest in Connecticut. There are 49 other states out there, and that's -- that really says a lot about Connecticut, and certainly about the deal that we're looking at. I do know various board members of Jackson Laboratories. They live in my district and I know some that don't live in the district, in addition. And I've spoken with several of them over the last few days, learned a lot more about Jackson Laboratories and what they have in mind for this particular proposed project and for the state of Connecticut.

For them, I think, the future is bright. This is an expanding business for them, even though they are a nonprofit. And I think it's just terrific that they're interested in Connecticut. However -- and it's a however with a -- with a capitol H -- and that is that we have to be very, very careful

here in Connecticut due to our economic and fiscal circumstances. We have to be extremely careful how we use our precious resources in economic development.

This is no ordinary economic development deal. This is close to $300 million for, initially, over the course of ten years, 300 jobs that will undoubtedly cause there to be other indirect jobs and spinoff jobs to exist in the Farmington area and throughout Connecticut. But, nonetheless, we have to be very, very careful about making a decision to put this many resources into something that has a somewhat unclear outcome.

I would like to see it restructured. This has been moving along at a locomotive pace. The train has left the station. It's doing 200 miles an hour, and it's one that we have to somehow slow down. There is no real rush. This is a major, major decision. There is no real rush to do this today, or tomorrow, for that matter. We need to do more due diligence.

I can't stress enough the whole concept of the risk-reward ratio. This is the basic concept that we use in the private sector and venture capital

and private equity is what kind of risks are we taking and what kind of reward are going to get for taking those risks?

The higher the risk, generally, the higher the reward has to be. Factor in time, the amount of time you have to put into these different investments, and the reward also has to commensurately go up by a certain amount to compensate you for that. It's the first thing we look at.

And we can, more or less, get our hands around the risk. We know what the costs are in this particular case for the State of Connecticut, for the taxpayers here, and that's 291 million dollars. 191 are the first couple of years building out this facility and another 10 million for ten years after that, approximately, going to them in the form of a grant. This is a forgivable $191 million note, after year ten, provided they have 300 jobs -- unless the deal has changed here -- and then, the note goes away and they take total ownership of the structure.

The bigger the amount of capital, or the bigger the amount of resources that go into a deal,

the more due diligence needs to be performed. And that's, you know, for -- for obvious reasons.

When we talk about the risks, we're talking also about how are we going to get compensated and what are the odds of us getting compensated for that? And I was quite surprised to see, at least in the original agreement that we saw or the bullet points that came out of it, because we weren't really allowed to see the memorandum of understanding or letters of intent or anything of the -- the nature, is that there is no provision for Connecticut or UConn to share in the fruits of their labor in any sort of intellectual property and any sort of patents that they might produce. There's -- or any kind of royalty sharing. There's -- there's none of that in this agreement, that we know of, which means that we have really made our payoff down the road, whether it's ten years, or 20 or 30 years down the road, or tomorrow for that matter, we've made it much more uncertain.

One of the greatest investors of our lifetimes -- whose name I won't use because he's fairly political these days -- but he -- he said this. He said it's not whether you're right or

wrong, it's how much money you make or you lose when you're right or wrong. In other words, don't go putting too much money into something unless you can really get your hands around what the payoff is to -- for the investment, and to -- to those of you who are backing the venture, in this case, the taxpayers of the State of Connecticut.

I think anybody in -- in the business on the private sector (inaudible) would say you have to nail down exactly how you're going to get compensated for the risks that you're taking. We don't do that in -- in this particular deal.

And I'll tell you, economic development is a passion of mine. I know it is of Senator LeBeau's and other people on the Commerce Committee and Senate Daily. And -- and I've been involved with it for nearly 20 years in the State of Connecticut, and this is one of the most unusual once that I've seen, for the exact reasons that I just outlined.

Typically, at the DECD or at CDA, CI, we're looking at investments or working capital loans of $75,000, maybe an equity investment of one and a half to 2 million dollars. At the outset, maybe -- maybe 5, but that's highly unusual. Here, we're

talking about $300 million. This is going to be part of a bonding package.

We know that we are already the most heavily indebted people, on a per capita basis, in the country already. And whether it's us paying that debt back, or our children, or their children paying this back, its money out the door and we are on the hook for it. Yes, at lower interest rates these days but, over the course of time, you still have to pay that debt back. And that's a -- that's a serious burden on future generations, if not -- if not us.

So we have to -- we have to look at this much more carefully from, not only a risk and reward point of view, but what else is it -- what else is it really going to do for us? And yes, I agree with what Senator LeBeau was saying and Senator Daily was saying, that this will spurn lots of jobs, in addition to the ones that are going to be placed there by Jackson Labs or hired out of people -- out of the State of Connecticut.

We don't know exactly what that ratio is going to be. If you look at the REMI model that was run by the DECD, it shows a multiplier factor for jobs

of well in excess of ten. And we know for a fact that, in the industry, that multiplier is 5.7. In normal industrial jobs, it's about 2.6, 2.7, or so.

So, you know, I'll grant you this is a special situation, and you could probably argue that you could use a higher job multiplier rate, but to go to almost double what the national averages for this industry, I think, is -- is a stretch.

And, you know, REMI models are great. But I've always said this. You know, as long as I've been involved in economic development, it's a bit of a black art, a bit of a black science, to try to predict exactly how these things are going to work out.

Looking back on projects that were done 20 years ago, some clearly worked and did follow what the model said it would do, and -- and produce for the State of Connecticut. Others fell flat on their face. And the REMI model couldn't have been more wrong, or what we were using at -- at the time. They didn't use REMI back then. So we have to be a little bit cautious about the numbers that we're getting out of some of these -- these different models.

Again, they're forecasting that, at the end of year 20, that there will be 660 direct jobs and 6,000 spinoff jobs and many other indirect jobs on top of that. We must keep in mind that Jackson Laboratories is a nonprofit. It will not be paying corporate income tax to the State of Connecticut. The only claim that Connecticut will have on the individuals, or on Jackson Labs, are on the incomes of the individuals who work there or work indirectly for this entity.

And you also have the contributions to grace -- to gross state product, which, if you use the normal multipliers for that it, is -- it's an incremental bump up, but it's not the wonderful, big, sexy figure that -- that I would have liked to see it big -- it be.

So, if you put all that together, we're -- we're putting this on the balance sheet over the next two and a half years, if this goes through, and contributing another hundred million over the next ten years, if this goes through. And I understand the theory is to create the critical mass.

But if you look -- if you look at the national

playing field, you'll notice that we aren't the only ones in -- in this business, in the business of attracting bioscience companies, or in the business of bioscience, period. There are at least six or seven other major, major centers for biosciences throughout the country, and it looks like about 12 in addition to that.

We know for a fact that there are 40 states with a concrete and effective strategic plan to recruit companies such as Jackson Labs, even though it's a nonprofit and wouldn't be considered a -- a typical company that would be targeted. There are 19 states with bioscience facilities already in place, many of them cutting edge, state-of-the-art facilities that are trying to recruit these companies at well -- as well. It takes critical mass to be able to create an industry, especially when you're pulling yourself up by the bootstraps. We're not the only ones at this. It's a highly, highly competitive field out there for what amounts to a very sexy, and -- and justifiably sexy business, with high multipliers associated with it.

So that is something we'll have to become cognizant of. The plan is for Jackson to dribble

jobs into the State of Connecticut. I believe, by their own pro forma projections, that by year five or six, they're not even at the halfway point, so we're not really getting the jobs that we would like to have here overnight. It's going to take a long time. And again, it's ten years before they have to be at 300 jobs.

And if you contrast that with that wonderful announcement that you were at, Madam President, and the Governor and many of us were at yesterday down in Stamford, Connecticut, where, for $20 million of state contributions plus some other benefits on top of that, 450 jobs, through NBC sports, are coming to the State of Connecticut, probably going to 600, but 450 are coming there on day one, which I believe is within the ten next months.

They're going to outfit this incredible warehouse, Clairol Warehouse, with studio equipment and have this thing opened by the end of August with 450 new workers in the State of Connecticut walking into it that very, very next day. That, if we're going to all agree, that we have to, as a State, compete against the other surrounding states and the other 49 states and other countries, for

that matter, we do have to compete by doing these kinds of economic development projects. That's the kind of economic development project that we should be -- should be doing.

So, again, I'm just wondering what the rush is to -- to affect this -- this field. I was hoping that we could come in for the jobs bill a lot earlier. Because, in every one of our districts, we're running into people left and right who are really hurting. And this is one of the huge priorities for all of us sitting around the circle today, is to get the job situation straightened out, get this economy, the state economy going again.

And I would have been fine coming in on Labor Day to try to rectify that situation. Here we are, almost two months later, and we're spending a good deal of time -- and I know I'm contributing to it -- on -- on -- on a deal that doesn't deliver these jobs right away, which is exactly what the state needs.

So, you know, the greatest investor, I think, of all time, Warren Buffet, said that a public opinion poll is no substitute for thought, and I

would add, myself personally, proper and thorough due diligence. I don't think we've done proper and thorough due diligence on this.

Florida said no. A red flag went up. And even Dr. Liu at Jackson Labs said that even if this deal goes through, and even if all the resources are put down here, Maine will still be the central focus where this world-class research takes place. It doesn't really necessarily come to Connecticut.

So I'm wondering, on the more subjective end of the equation here, are we -- what are we getting? What are we getting as a result of putting 300 million -- close to $300 million into this deal? So my suggestion to the circle is embrace Jackson Labs.

And again, thank you, Jackson Labs for being interested in Connecticut. We love that fact. But let's take our time. Let's restructure this deal. Let's make the price tag a lot more palatable and let's find out what we're going to get out of this. What kind of bang are we going to get out of it for our buck?

We've been put in the uncomfortable position by the -- the deal to effectively act as an

investment committee, 187 of us. And I would venture to say there are maybe one or two people that know something about the bioscience industry. But I'm not sure any of us are really -- I'm -- I'm certainly not qualified to -- to make a judgment, to the tune of $300 million, in the bioscience industry at all. If you gave me two years, I still wouldn't be competent to do that.

But I can tell you about deal structures. And essentially, this is a venture capital deal. And I can tell you the structure isn't appropriate for the taxpayers of Connecticut. We're fiduciaries at the end of the day and we should do everything we can to get Jackson Labs here but do it for a very, very small price tag, a fraction of what we're looking at today.

Thank you very much, Madam President.

THE CHAIR:

Thank you, Senator.

Will you remark further?

Senator Guglielmo.

SENATOR GUGLIELMO:

Thank you, Madam President.

I just have a quick question for the

proponent, and then I'd like to have -- make a statement also.

At the public hearing, we -- I asked Commissioner Smith about pilot money for Farmington. And I was told that there -- there would be pilot money available to Farmington, between 750,000 and 1.3 million a year. And I just wondered how that was going to be structured, because I don't think it appeared anywhere in the bill. And -- and when I did ask a follow-up question to Commissioner Smith about whether that pilot payment was factored into this -- into these numbers, I was told they were not, so I'd like to know a little bit more about that.

THE CHAIR:

Senator Daily.

SENATOR DAILY:

Thank you very much, Madam President.

Senator, the good news is that answer was a mistake. There will not be pilot money for this endeavor. It doesn't meet the qualifications of a University or a school or a hospital, so there will not be any pilot payments to Farmington.

I think they'll be responsible for some tax to

Farmington.

SENATOR GUGLIELMO: Okay. Well, thank you very much.

THE CHAIR:

Senator Guglielmo.

SENATOR GUGLIELMO:

Thank -- thank you, Senator Daily.

Yeah, I'd like to make a brief statement, also. I think if the vote today was on whether Jackson Laboratories was a wonderful company or not and whether Connecticut wanted to have a company that was cutting edge and going to do so, has potentially, anyway, do some wonderful things, I think it would be a unanimous vote. I think everybody here -- I agree with all of those that preceded me. This is a great company.

You know, but I -- and we'd be proud to have them here -- but, you know, as you get a little older, you tend -- and maybe it's good and maybe it's not -- you tend to rely on your own experience a little bit. And as George Bush said to the father, he wasn't so good at the vision thing. So -- so I don't know if it's a plus or a minus, but I have had some experience in this area. Not

as much as some in the room, but some.

I was on the board of the bank and we went public. We had a public offering, and Madam President knows about it. And, of course, we got a lot of money into the bank. You know, you do a public offering, you get a lot of money. We went from a mutual bank to a traded bank. And as soon as that happens, you get a tremendous amount of pressure to get that money out because the shareholders, who just put their money up, want a return.

And we vowed, as a board, that we would stick to our guns and stay with our old lending policies, be conservative, because we were a small bank. In some regards we did that and some we didn't, because there was tremendous pressure. And I think there's some similarities here to that kind of a deal here. We had pressure at the bank to lend money because we had it, and the shareholders wanted a return.

As a State, we have pressure because we don't have jobs, and this is a way to create jobs. And I understand that. But I'm also worried about the part of banking that Senator Frantz mentioned, the

due diligence. That's not only a good idea for banks, that's mandated by the regulators, that you do due diligence. And that's just not happening with this deal. The time frame is too short. We just don't know enough about the deal. It would be hard to vote for it just on that basis alone, that there's so many unanswered questions.

We -- we tried at the bank to do three tests, and I think they kind of fit here, too. We were deciding, when lending to a company, whether the -- we just -- it's quite a bit of commercial lending for a small bank. We'd -- we'd say does the company fit with what we're trying to do as a bank? And by that, I mean, you know, were they the right type of company? Were they a company that we could be comfortable working with?

We didn't do much in the entertainment business, you know, water parks, or nightclubs, or even restaurants, because they're kind of trendy. They come and go. So we figured the risk was too high. So -- but in this regard, Jackson Lab clearly passes. So they passed the first test; is this is the kind of company that we'd want to do business with. Absolutely. They're a terrific

company. I don't think anybody would quarrel with that.

The second test we had was -- we were a small bank. Connecticut is a small state. Was the loan to big for us? Was it something that we couldn't manage if it went bad? Well, with that point, it's a little more debatable, because it's probably not too big for Connecticut because we've had a decrease in school construction requests. We have room under the bond cap, so you could make that case.

But the other side of the coin is what Senator Frantz talked about. We're the highest state per capita in indebtedness in the nation. That's a big burden to place on our kids and grandchildren. So test two is not so clear.

And then test three was always the one that was the hardest. Do the numbers work? Does this deal makes sense for our shareholders and for our banking customers, that we be doing this? And this is where I think it clearly fails.

You're talking about 300 jobs over 10 million -- over a ten-year period for $300 million. Wow. I was asked about this at a

meeting I went to and I explained it, and they laughed. They laughed because they thought it that was absurd. They thought I was making a joke. And as Senator Frantz said, no corporate tax here, no property tax here.

And I think, also, you lose what some people call "opportunity costs." This $291 million is one time only, so it's going to be gone. What if a better deal comes around tomorrow that we could have used that 291 million, like the NBC deal? How -- how are we going to address that? We've already spent this money.

So, I guess, in conclusion, I would say they're a great company. We'd love to have them. I agree with Senator Frantz, I'd like to see the deal restructured. It's simply too much money for too little benefit for the citizens of Connecticut.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator.

Will you remark?

Senator Daily.

SENATOR DAILY:

Thank you very much, Madam President.

I would insist that this is not being rushed in any way, shape, manner or form. There have been many, many meetings with our State and Jackson Laboratories. There have been enormous hours of due diligence performed by our OPM and DECD. We have information to base our vote on.

What we don't have information on is that which is protected by statute, which our own laws say we don't get that information. We're not the negotiators. The Governor was elected to negotiate. And so railing against having information that our laws so we're not entitled to, doesn't give us any progress. So I would contend that we're not rushing. It has had ample time.

I would also assert that, in the past, we have waited too long for many things. This is a time that we need to take bold action. And I think it's been mentioned that there are four states pursuing Jackson right at this time. So it gives us no time to sit and wait, and we have not rushed.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator.

Will you remark? Remark?

Senator Bye.

SENATOR BYE:

Thank you, Madam President. I stand in strong support of this bill. Madam President, and members of the circle, I'm bullish on Connecticut. I believe in Connecticut and where we're heading. This isn't because of blind faith. There's a lot of reasons to believe in Connecticut. There's a lot of supporting data about why we should believe. And there's a Connecticut context for Jackson Labs that makes a lot of sense.

I don't just believe because of the news articles I've read, or from sitting on the computer, or listening to folks around the capitol. I'm bullish on Connecticut because I've been out there.

And, Madam President, I was out at a manufacturer with you in Farmington this week, at TRUMPF. And we saw people who were innovative, hard-working, who are exporting to other countries. I've been out at all of our CSUs, at the University of Connecticut, in numerous community colleges, and I'm -- really believe in the students who are here and where they're going in our outstanding

programs, in the sciences and in the liberal arts.

I, like members -- I think all the members of the circle -- I believe in the workforce in Connecticut and the people of Connecticut and their intellect and their ability to innovate, in their work ethic, and in their business sense. Because what this model depends on with Jackson Labs are -- depends on the people of Connecticut creating complementary businesses, just like Jackson Labs depended on Bioscience Connecticut to find a complement to what they were looking to do next.

Like all of us, I think, around the circle, we believe in our future. And we're really fortunate. I think we've heard both sides of the aisle talk about what a high-quality company Jackson Labs is. And guess what? Jackson Labs is bullish on Connecticut. They are bullish on our bioscience initiative, and they believe in our current and in our future workforce. And they believe that's a good fit as they look to grow their business in Connecticut.

This partnership with Jackson Labs, I really believe it's the right sector, at the right time, and this is the right company. It's right -- it's

really right now because, where Connecticut is now and where our economy is now, health and education are our leading private sectors, which really leaves a strong sector to build on with this bioscience initiative in Connecticut.

Venture-capital investments in Connecticut, 70 percent of them are in the bioscience area now. Connecticut has over 400 companies in bioscience with 50,000 employees. When you look at our colleges and universities, 80 percent of the research dollars being sent to our universities are in the area of bioscience.

When we talk about jobs, there's nobody in the circle that isn't concerned about jobs in Connecticut and wants to see job growth in Connecticut. So we have to think about where are we going to see that. Well, in the past 22 years, Connecticut has only seen five months of negative job growth in the health area, in that industry. And during both recessions, Connecticut has seen zero months of job loss. It's the right time. It's the right sector, as well, for us.

The Department of Labor predicts that, between 2008 and 2018, job growth will increase 20 percent

for biochemists, 13 percent for biologists, 19 percent for biomedical -- for medical scientists and 8 percent for biological technicians. That's without Bioscience Connecticut. That was in 2008. I truly believe those numbers will be higher.

There's pretty much near universal agreement among federal sources, the Labor of -- Bureau -- the Bureau of Labor Statistics, the state Department of Labor, and university economists, that public-private partnerships in the area of bioscience will have long-term payoffs. It's also the right company, and I think we're hearing that universally.

I think Jackson Labs hear that -- that Connecticut welcomes their strength as a company. This is not some fly-by-night. It's been in business since the 1920s. It's internationally and nationally recognized. Their work has led to over 20 Nobel prizes. Currently, I have them (inaudible), but I won't go into it, but they have almost $64 million in open National Institute of Health grants. This is a major company.

We've heard others speak and we've been talking a lot about personalized medicine and what

that means and how that will take advantage of some of the genetic research going on in Connecticut. Well, last week, I sponsored a breast cancer symposium. We brought some of the leading researchers in Connecticut. And I can tell you, what those scientists talked out about is that what's happening with breast cancer is that they're looking at the genetics of patients before they even start chemotherapy.

We're not talking about something futuristic. We're talking about research going on at the University of Connecticut today, that's benefiting the residents of Connecticut and the women of Connecticut, and some men as well. I think there is a misunderstanding. Men also get breast cancer. But it's not just breast cancer. It's other health initiatives and other illnesses. This is not just the wave of the future; this is the wave now.

So I'm bullish. I'm bullish on the planning that went into this and the work that went into this. And are there some risks? Certainly, there is some risks. But I hope what you're hearing in my comments today is that there's a lot of data behind this risk. And all investments that pay big

dividends involve risks. Any businessperson can tell you that.

We've all heard about North Carolina and the research triangle. And I don't think any members of the circle would say that has not worked out for North Carolina, with 250,000 residents now working because of that investment they made.

More recently, there was an article about Maryland because Maryland has decided to jump in too. And between -- in the early 2000 -- in between 2002 and 2010, one third of all job gains in Maryland were related to their bioscience investment. Martin O'Malley, the Governor, is anxious to continue to invest in bioscience in Maryland.

Yes, the deal with Jackson Labs did not go through in the State of Florida. A political decision was made by that Governor not to continue to pursue Jackson Labs. He did not support this proposal. Certainly, previous governors, Democrat and Republican in Florida, may have supported it. But does that one governor's rejection and one political decision outweigh all the economic data about where Connecticut is now and where our future

is in terms of jobs? I don't think so.

I'm bullish because I'm following the real data. And I urge my colleagues around the circle to be bullish on Connecticut too. Let's pass this today. If we don't welcome Jackson Labs in Connecticut, you can be quite sure that Governor O'Malley will be picking up the phone this evening.

I believe we're going to pass this initiative, and I urge fellow members of the circle to join me.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator.

Senator Cassano.

SENATOR CASSANO:

Thank you, Madam President.

As a Red Sox fan, I want to quote a very famous New York Yankee, Yogi Berra. Yogi once talked about it's deja vu all over again. And, for me, that's what today is.

Back in the late 1980s, I was involved in a project in Manchester that, for us, the scope was similar to what we face today, the Buckland Hills Mall.

We had a series of meetings as leaders that

went on for months before we came out with a proposal to build this mall. The Mall would have been a tax generator for years to come. It would have developed businesses around the mall that would have been supportive. And to do this, I believe it was a seven-year tax deal that we made with the mall.

The way it was being funded was controversial. We ended up, in fact, having to change it. But the most difficult thing we had to sell was the idea of spinoffs. People knew what going to Macy's meant, or Sears, or whatever it might be, but it was the spinoffs. For us, today, to try and measure the impact of those spinoffs is very difficult to do.

Drive to Manchester. Drive up Buckland Hills Drive and down the other side. Drive to the lower plaza. Drive to where the movie theaters are and there are stores and restaurants all of those roads bringing millions of dollars, spinoffs, into Manchester.

We couldn't calculate what they were, but we could tell you they will come. I think we have the same situation today. Many of you around this table took that risk about ten years ago. Remember

the Cedar project? Adriaen's Landing? Rensselaer Field? Those votes were probably a leap of faith, 30 to 5, 36 to 1 -- I mean -- excuse me -- 30 -- 31 to 4. There were a whole variety of votes that morning at four o'clock, when people said let's invest in the future.

The reality is it's very difficult for us to sit up here knowing that we are last in jobs creation. You ask me, what's the rush? We're last in job creation.

We have a higher foreclosure rate than we've ever had in our history. Our unemployment rate is over 9 percent, maybe down to 8.9, I guess. Hovers around 9 percent. What's the rush?

We've already approved the building for UConn. This would be a second one, a partner with it. You have to have a draw to get to step two. Some of us around this circle, and many from the House, just a couple of days ago, went through the UConn laboratories. The euphoria in that building is incredible. It's like they just had their first baby. You just got your first drivers license. That kind of excitement that can't be duplicated. And as we went from area to area, room to room,

seeing the kinds of things they were doing, they were saying, with Jackson Labs, we're going to be able to do this or we're going to be able to do it. So I support it.

I support it and I'm willing to take that leap of faith. And this is one of those things that will be an election issue, not just this year, but for the next two years, and the two years after that. And ten years from now, when we look back and say, I supported that, that's a legacy for Connecticut, and I'm proud to stand up and support.

Thank you.

THE CHAIR:

Thank you, Senator.

Senator Suzio.

SENATOR SUZIO:

Thank you, Madam President.

I've been portrayed in the press for the last few weeks as the most vocal opponent to the Jackson project in the entire state. And I want to straighten out the record. I am not an opponent of the Jackson Labs coming to Connecticut. I am a vocal critic of the process and the deal that's been laid out as I understand it.

I am passionately for Jackson coming here, on the right terms, and structured the right way. I worked in biotech 25 years ago. I know the excitement. I can tell you, it was probably the most intellectually stimulating thing I've ever done in my adult life. It was fun. We -- I was working with some of the top scientists in the world. I was on the business management side, so I had -- I was privy to a lot of the inside understanding of the technology and how it was developing. We were working with baculoviruses and expression vectors, and it was -- I mean, it was unbelievable.

And I can remember going home every night talking to my wife, who's got a background in medicine, about the immune system and how it works, because we were -- we were a company that had become the first company in the entire world to be licensed for human clinical trials on an AIDS vaccine. This is 25 years ago. We still don't have an AIDS vaccine.

My point is, I'm totally for Jackson coming, but we've got to be careful how we do this. I have big reservations and criticism about, one, what I

see as the process of due diligence that -- that's -- I've been exposed to; two, the deal, the way it's been structured which -- I see it, and I'm going to explain it to you, as a lose-lose proposition for Connecticut taxpayers no matter what happens. And three, I do have some philosophical questions and objections to the deal as well.

Let me begin by addressing the due -- the due diligence question. First of all, again, we are dealing with what is it undoubtedly an exciting field. And I can hear the euphoria in the voices of my colleagues around the circle, and it's understandable. But we've got to be certain, number 1, that we use our heads and don't let our emotions overcome calm, rationed, rational thinking about this. We are, after all, talking about $300 million of taxpayer money, plus the cost of that money over the next ten years, which is easily another hundred million dollars. This is just not other million-dollar loan or something.

Now, this field, while it's full of promise and excitement, glamour, it's also filled with a lot of risk in it. It's filled with risk because

of the very nature of the field we're talking about. It's leading-edge technology.

We're on the edge of human knowledge and human experience. We don't really know what's beyond. And we don't know how it will turn out. And we don't know how long it will take. As I said, I was working in a firm 25 years ago that was working on an AIDS vaccine. And we still don't have it.

So it's important to keep our heads calm and about us and not get carried away with the motions and euphoria. We are dealing with a lot of taxpayer money, and we do have the responsibility to Connecticut taxpayers to be careful about how we dole out that money.

One of the things I learned as I was researching this myself, as I researched what was going on down in Florida -- and all of us have talked about how -- and -- and the DECD people have talked about how developing clusters are very important for the success of this stuff. That you usually don't succeed when you just have one company and one location. It takes groups of companies and groups of institutions working together and collaborating together.

Well, Florida is not new to this ballgame, ladies and gentlemen. They've had biotech down there for just as long as we've had it here and if not longer. And they've got some pretty big, pretty impressive companies down there in the biotech field.

And they have a government entity or agency down there called "The Office of Program Policy Analysis and Government Accountability," and they've issued some studies. One of them is called -- about biotechnology clusters. And the -- the headline here is biotechnology clusters develop slowly. Start-up assistance may encourage growth.

And what they point out in this article, ladies and gentlemen, is that the clusters that are so important to economic viability of new technology, do not take one, two, three, four or five years, they take decades to develop. And that's what they say, decades. They were stunned and surprised when they saw this, but that's the reality.

So if you're going to go into a deal with all sorts of euphoria, you better be ready for the long haul because it's not likely to be a success

overnight, or even in the relatively near future, five, seven, eight, nine, ten years from now.

Again, the nature of the risk being leading-edge technology, and this phenomenon of clusters taking decades adds to the risk and adds to the importance of doing our due diligence now, before we put $300 million of taxpayer money out in a state that just had the biggest tax increase in its history.

When I walked into the briefing that was given to Republicans back about ten days ago -- I know some of you might be surprised, but I had no idea how I felt about this project, other than I was for the idea of Jackson coming. But I didn't know anything at all about the deal other than what I had read in the papers. I was excited about coming to the briefings. I wanted to see what this deal was all about, and I was really looking forward to it.

In spite of the best efforts of the commissioner, I have to admit I was sorely disappointed and very alarmed by what was presented to us that day. In essence, we were giving -- we were given a slide presentation. Thirty beautiful,

colorful, exciting slides, and then, given the opportunity to ask questions. And that was it. $300 million for 30 slides and a few questions and answers?

When I asked the commissioner that day, I said, oh, there's got to be more to this than that, you must have a plan. There must be a proposal. She said there wasn't. I was stunned. I said, you have financials, don't you? No.

I waved in front of her the package I had from Florida. There was a package that they had presented to Florida, 24 pages. But Connecticut didn't have it. The commissioner didn't have it. She didn't say she had it and she was holding it back. She said she didn't have it. What am I to think? I only know what the commissioner tells me.

So when I get assurances that due diligence has been done, excuse me if I'm a skeptic. I also asked the commissioner some details about the deal. One of the questions I asked was, okay, it's going to be a mortgage with interest only, what's the interest rate, what's the repayment terms? And she said well I'm not certain. She said probably will be interest only for ten years, maybe a low rate of

interest like 1 percent.

Ladies and gentlemen, I was hearing a person, who is the point person for this deal, who was making it up on the fly. Who really didn't even know what an important element of the deal was. If that was a boardroom of a bank, she would have been asked to leave, and probably not even come back for being ill-prepared.

I went into that meeting wanting to hear the details you have to hear to make an informed and intelligent decision about this. I got nothing but fluff, and that alarmed me. I expected more. I expected better. Why were we not given more details? We had no financial details at all. At least my side wasn't given any financial details until a few days ago. Actually, just before last weekend was the first time I saw a package.

So I read through that package over the weekend. And I have to say, it's an improvement over what we had, which was almost nothing, although it still lacks, in my opinion, a lot of the details and information that you need to make an intelligent, informed, reasoned, calm decision about this.

And in looking at that package -- and I did study it very diligently. I've got it all marked up from this weekend -- I saw things in there that alarmed me more. One of the big selling points of this deal is jobs creation. They're touting thousands of jobs that are going to be spin off -- spun off. Jackson itself is committing only to 300 jobs for $300 million. Pretty easy calculation, a million dollars a job. They have no other responsibility. If any of this stuff doesn't happen, it doesn't matter.

But, I thought, let me take a look at their jobs creation model and see how reasonable it is and see what assumptions it's based on. So it's explained in here. And there's actually a couple of tables in here. I refer you to Table 1 with some of the details, and then you go to the explanation. And what I found in the explanation about how the model works was what I found alarming.

The model, the jobs that they're proposing, that they're going to create, which are over 6,000 jobs that they credit for Jackson, even though Jackson itself is going to have only 600 or so, it

breaks out in the following way.

There's three types of jobs they're forecasting. One is the jobs that Jackson itself is committed to doing. Two, are what they call direct spinoff jobs. Those are jobs in the biotechnology research and development sector that are not involved in Jackson directly, but they take credit for being created as a result of their coming onto the scene here in Connecticut. And then the third category of jobs that they talk about are what they call "indirect jobs." Those are all the jobs that will be created in the retail establishments and professional -- the professions in the area, the spinoff of the economic activity that will be created by the people working at Jackson and the people working in biotechnology in the area.

Now, when they developed this estimate of some -- something like 6500 jobs, they did it in the following way. They took the Jackson numbers, 300 by year ten, blah, blah, blah, up to 600. And they took a multiplier, which I think Senator Frantz was talking about, which basically said for every job that Jackson creates and every direct spinoff job

in biotechnology, 1.04 jobs will be created indirectly.

And what -- so what they did was they determined the direct spinoff jobs. They took -- they went in and they took the census data for the biotech sector they're in. Quote, We obtained the Connecticut 2009 employment for the relatively narrow sector in which Jackson is situated. It was 2,030 jobs in NAICS sector 541711. NAICS is a North American Industrial Classification System. It's a way of classifying jobs and industries in a very specific, very precise and refined way.

They took that and they applied an 11 percent annual growth factor, which was predicated on a study done several years ago by Price Waterhouse Coopers. The study itself pertained to the personalized medicine industry. It had nothing to do directly with Jackson. It was done even before Jackson was coming on the scene here.

They took that 11 percent and they took every single biotech R an D job in Connecticut now, before Jackson is even on the scene, and they started multiplying. They said, okay, eleven percent plus 11 percent in 2014, plus

11 percent in 2015, blah, blah, blah, right through 2022. And then they said we're going to get conservative. We're going to go knock it down to 4.3 percent from 2022 to 2031. And they put all the jobs, every single job that they calculated for the entire state of Connecticut, and the entire industry, and they took credit for it 100 percent. So they come up with 4,035 jobs.

They don't give any credit to Yale, any credit to UConn and the prestigious new center we're going to build. They built into their model the assumption that they, and they alone, were responsible for the creation of 4,035 jobs in the biotech R and D sector. Please read it. It's on page 8, and it's crystal clear.

That, ladies and gentlemen -- is there anybody in the circle that believes that Jackson Labs is going to be responsible for creation of every single R and D job in biotechnology in the next 20 years in Connecticut? Is there anyone at this table, this circle, who thinks that's even reasonable?

Pardon my skepticism, but this is the model on which all these benefits are predicated. And these

jobs are two thirds of the jobs that they're taking credit for. And that's what the net present value in the gross domestic product, and everything else that the DECD calculated, is based on, a totally incredible assumption.

And ladies and gentlemen, if this is the way the study is done, I don't believe you can say that due intelligence has been done. No one at this table is -- I don't care how euphoric you are about biotech and Jackson coming -- can believe that Jackson can take credit for every single biotech R and D job to be created in the State of Connecticut for the next 20 years.

It undermines the integrity of everything the DECD has been presenting to us, the net present value calculations, the job growth, everything. And it underscores what my Republican leadership has been saying now, don't rush to judgment. Don't let your euphoria, your enthusiasm, your emotions, rule over your brain.

You have a responsibility to the taxpayers of Connecticut, ladies and gentlemen. I don't care how enthusiastic you are about the potential. And believe me, I'll say this again, if there's anybody

who can understand and appreciate it in this room, it's me. I worked in biotech for a while, and I believe in it. And I want to see Jackson come here.

In fact, I was so enthusiastic, two days ago, I sent a letter to the Governor offering to help him put a deal together, but do it in a way that makes sense and is prudent and protects people. I haven't received a response yet. Maybe, Governor, if you're listening, I'd be willing to listen to you -- meet with you tonight, if you'd like.

So, ladies and gentlemen, number one, I have some real concerns about the due diligence process. And if there's a lot more being done behind the scenes, than why aren't they sharing it with us? And why are they making it up on the fly?

Why wasn't the commissioner prepared for my questions when we went in for a briefing? And I expected her to be prepared, and she should have been prepared, but she wasn't. She was making it up as she goes. And then, in response to this point that I'm pointing out to you right now, I'm going to anticipate a question, because she answered it in the newspaper.

THE CHAIR:

Senator -- Senator --

SENATOR SUZIO:

Sure.

THE CHAIR:

-- Daily, why do you rise?

SENATOR DAILY:

To respond. I rise to (inaudible).

SENATOR SUZIO:

I'm sorry. I can't hear her. Could you -- your mic isn't --

THE CHAIR:

Can you (inaudible) -- please proceed.

SENATOR DAILY:

Thank you, Madam President.

In this circle, Senator, we don't impugn the character of our state officials or of each other. We find other ways to express ourselves.

SENATOR SUZIO:

Thank you. I wasn't intending to impugn her character, just the professional level of the work she was giving us. But I will avoid any more impugning her in any way whatsoever.

SENATOR DAILY:

Thank you, Senator.

SENATOR SUZIO:

So let me talk now. I've expressed my reservations, my concerns about the due diligence process, or the lack of it. Let me talk about the deal, insofar as I understand it.

And, by the way, I want to reiterate, I find it really objectionable that we're going to have to vote on a deal that we can't see, a secret deal. I thought we were talking about transparent government. When do we vote on a $300 million deal and we can't see the deal? I don't care about the legal niceties. Redact all the confidential stuff and just show us the basic elements of the deal.

I was with a friend the other day when the news broke out about we can't see the deal because of confidential parts of it. And we both -- we were all laughing out loud, like this is just -- you've got to be kidding me. We're not interested in any of the technical secrets, or the trade secrets, or the proprietary information of Jackson labs. We just want to know what the construction is of the relationship that we're going to be voting on and giving away $300 million worth of

taxpayer money. Is that unreasonable?

The taxpayers of Connecticut have a right to know what we're going to be giving their money for. I don't care what the legal implications are. Then let's change the law. We are the lawmakers, are we not?

Let me talk about the debt structure. The deal, as I understand it, is $99 million in grants over -- given away to the company over a period of time and $191 million in a forgivable mortgage. It would be forgiven at the end of ten years if the company obtained an employment of 300 people at the end of that time. Now, forgive me. This is all I understand about it. I haven't seen the real deal, so I'm only repeating secondhand what I've heard or seen.

Now, of course, I mean, this really comes out to a million dollars a job. Because the only thing that Jackson is guaranteeing to us is that they'll employ 300 people at the end of ten years. And if they do that, no matter what else happens, they get 300 million dollars from us. And they get another hundred million dollars value because of the cost of money over that period of time, so $400 million

for 300 jobs. I know a few other companies in Connecticut that would like that kind of deal.

Furthermore, the interest on the mortgage has now been officially announced, I guess subsequent to our -- our briefing session ten days ago. That it has been finalized. It wasn't then, of course. But it is non -- it's a one interest -- 1 percent interest per annum deal and it's accruing. It's not even going to be paid during that period of time. It's just going to accrue. And at the end of ten years, it's intended to be forgiven along with the other $300 million.

Now, think about this. The State of Connecticut, according to the OFA in their analysis of this, said the money costs to the State of Connecticut is going to be 5 percent per annum. We're giving it to them at a fifth of our costs, and we're not even asking them to pay it. And you know what? There's no guarantee they're going to perform.

So what happens, ladies and gentlemen, if, at the end of ten years, they default? We're stuck, having given them a 1 percent over ten years for nothing, because we got -- they didn't live up to

their end of the deal. And the way the deal is structured, that's a possibility.

I've never seen such a lopsided deal. It's a one-way street. But let's take a look and say suppose Jackson is unbelievably successful. Well, that's what we all want. That's what we all hope for. That's what we're putting the money on the table for. Suppose it is widely successful. Ten years from now, they're employing 300 people, and because we put $300 million worth of Connecticut taxpayer money on the table, at risk, up front -- and I want to point out that Jackson is not -- it was pointed out in the article in the Connecticut Mirror yesterday -- most of Jackson's money is coming at the end, not at the beginning of this -- all of the risk money, or most of it, is Connecticut taxpayer money.

So we come out to -- to year ten and they are successful. And they've got this incredibly valuable technology that they developed with our taxpayer money. And we say -- and it's worth billions of dollars, maybe. I mean, we are talking about something that could truly be revolutionary. What do we get?

Well, we say, hey, thank you, Jackson. Keep all those valuable assets that you've developed with our money, and, oh, here's the mortgage. Let's rip it up. Here's a couple hundred million more. Is that the kind of deal we want for our taxpayers in Connecticut, who are hard pressed right now, who have just had the biggest tax increase in history? And we're going to wager their money on a deal in which they can never get a return. Heads they win, tales we lose. That's this deal.

That's why I've been very critical of it. It's a no-win situation. Oh, yes, I know. There might be thousands of jobs, maybe -- although, again, I question the -- the veracity of the numbers that have been put forth to justify this thing. But so what? Even if they do that, we are putting all the risk money on the table.

And if they develop assets that are incredibly valuable with our people's money, why aren't we entitled to our share of the action? I've never seen a deal where one party takes all the risk and the other party gets all the benefits. But that's what this deal has been put together as. It's

shocking. It's incredible. It's amazing. It's irresponsible, as far as I'm concerned.

And what makes it all the more amazing is this. In Florida, Jackson proposed a 10 percent royalty to them. I've got it, if you have any doubt. I've got in the document right here. There's no such deal in this. Why? Is Florida's money any different from ours? Why aren't we going to get something on the come? They were willing to give it to Florida.

And it could be -- by the way, when Jackson touted this, and they were trying to sell the idea in Florida, they pointed out the Gatorade success. And they talked about the millions and millions of dollars that Gatorade had brought in for the State of Florida universities there. Well, why aren't Connecticut taxpayers entitled to that?

It could be a great deal of relief for us in the future. I mean, it would be a nice dream to have incredibly valuable technology developed by Jackson Labs, with our money, and ten, 15, 20 years from now, millions are coming back to the State of Connecticut helping to alleviate the tax burden in this state. Is that wrong to expect that? To ask

that, if we're putting up our money?

I'm sorry. This deal is absolutely the most irresponsible deal. It's a -- it's -- it's a reckless use of taxpayer money the way it's structured right now. It's, again, it's win for them and lose for us, under any and every scenario. And it's amazing to me that Jackson offered it to Florida, but it's not even in the Connecticut deal. What is the excuse for that? I don't know. We're in the dark. This is a secret deal, but we're going to vote on it.

I also want to talk about some philosophical issues here. I love biotech. I would love to see Connecticut become a leader in biotech. But I have to say this, ladies and gentlemen, there's over 90,000 companies in Connecticut. Many of them are small companies, family-owned companies, and they've been here for generations. Each one of you, sooner or later, is going to be confronted by a small-business owner and they're almost all struggling to survive right now. And they've all been loyal to Connecticut. They've been here for a long time.

What do you say to a small-business owner when

they look at you and say, I'm desperate for 50, a hundred thousand, 200,000 for my business. And, gee, can I get it in the form of a grant or -- or a forgivable loan for ten years if I hire a couple of people?

I mean, we are putting an incredibly special, unique, one-of-a-kind deal here. And I understand the excitement again, and the enthusiasm, and the emotion that you all feel. But we have to put that aside, and sooner or later, we're all accountable to the taxpayers of Connecticut.

And I want to point out one other little thing apropos to this, by the way, that's in the document that was circulated to us. On page 7, Jackson is talking about how it's going to use the money that they're going to get from us. And it says here they do a model of -- of ten years operating support as a reduction of Jacks' production costs, that renders the firm more competitive with respect to its peers and competitors inside and outside the State.

In other words, it's going to use the money we're giving them to compete with and gain a competitive advantage with other Connecticut

companies. We're picking sides against the companies that are here with a newcomer on the scene.

In Connecticut alone, in the field that they are in, in biotech R and D, there's 53 companies. This was the 2009 census data, which is the latest data that's available. There may be more now. The good Lord willing, I hope there are more.

But how would you feel if you were one of those other biotech companies that's in it, not getting any kind of a deal like this? And now the big behemoth comes in from out of state and is bragging. They're telling the public that they're going to use our money to beat other Connecticut companies, to compete with them. That's their own words, ladies and gentlemen.

I'll tell you what, if I was an owner or an operator of a biotech company in Connecticut, I'd be a little bit ticked off. And guess what? In Florida, there was a company called "Arthrex," A-r-t-r-h-r-e-x. They're in -- a manufacturer of medical equipment. They've been in Florida, I believe, going back to 1991. And they have -- they employ -- I think it's over a thousand employees.

But they're -- they're a well-established employer there, and they had a $50 million expansion plan that they were going to the state and county for support from.

When the news of the Jackson proposal broke, the head of that company went public and he expressed his anger and his frustration that they were getting the short end of the deal. That they were going to get a, quote, normal deal but Jackson was getting this unbelievable deal. And he threatened to take their $50 million expansion and take it out of the county, and potentially take it out of state.

Have any of you considered that that might happen? That there are other companies here that might say this is not fair? You're picking out one company and one company alone. You're giving them a phenomenal once-in-a-lifetime deal. In the meantime, the other companies have been here, loyal to the State of Connecticut, not demanding, extorting, wanting money to come here. They're here because they want to be here in Connecticut. And we're -- we're, in effect, giving an incredible deal to one company, and one company alone, to

their disadvantage.

So, ladies and gentlemen, I will reiterate my offer to the Governor and public. I'll meet with you tonight, Governor, and I'll help you start putting together a real deal. One that makes sense for Connecticut taxpayers and will bring Jackson Labs here.

But I don't believe that the deal, as has been put together right now, has anything close to adequate due diligence. I think we are risking recklessly taxpayer money at a time when we're tapped out. As Senator Guglielmo pointed out, we have the highest debt per capita in the entire country, and this is going to add hundreds of millions more.

We're talking about a proposal and economic projections and job creation projections that are based on an incredible assumption that is demonstrably false. We're talking about a deal that is lose-lose for taxpayers. They get the short end of the stick, no matter what, to a non-taxpaying entity that will never pay Connecticut a nickel of taxes.

We're paying a million dollars a job. Not for

jobs that are going to be created tomorrow or next week but, maybe, ten years from now. And we're really discriminating against every other company in the state, all 90,000 others, that don't ever, ever, ever have a chance of getting any kind of a deal like this.

The sensible thing to do around this table is not turn the deal down; it's to -- it's to delay the vote. It's to delay it until we can get all the information, and we can put together a deal that makes sense, that protects Connecticut taxpayers, that gives us a fair return if the company should succeed and balances against the risk that we're taking. And we take into consideration the impact on other companies.

So I cannot and will not vote for this bill today, not because I don't want Jackson here. I want Jackson here. But it's got to be a fair deal, and it's got to be a deal that protects taxpayers' interests. It's got to be a deal that's thoroughly vetted and worked out. And it should be a deal that's bipartisan in nature, where both sides participate. We both want what's best for Connecticut.

Republicans should participate with Democrats in doing whatever we can, within reason, that protects taxpayers, and is fair to other businesses in Connecticut. And I know, I'm certain, every one of my colleagues on the Republican side of the aisle would be a hundred percent for that and would enthusiastically join with you to do what we can to bring Jackson Labs to Connecticut on a reasonable, fair and decent basis.

Thank you.

THE CHAIR:

Senator Prague.

SENATOR PRAGUE:

Thank you, Madam President.

Madam President, Fred Carstensen, who is a professor of economics and somebody we rely on in this State, to project financial investments, we rely on his judgment as to whether something is good for the State of Connecticut or not, came to the hearing that we had on this proposal last week, and was so enthusiastic about this project. He said it is a trajectory into our future. He was ecstatic with this deal and that Jackson Labs was coming to Connecticut and what it was going to do

for our economy and for the future of this State.

I was so pleased to hear what Fred Carstensen had to say because I am -- it's like it's wonderful that Jackson Labs is coming here for our children and our grandchildren. This state will be a center of bioscience research and a different place than it is today. And it gives us hope, hope for the future. That we are going to be an outstanding center of bio-research and attract some of the most renown scientists in the world.

I am particularly enthusiastic about the personalized medicine. The growing elderly population in this country and in this State will benefit from this kind of research. As it happens, right now in our budget, our Medicaid part of our budget is almost 25 percent. The cost of health care is out of control.

This is one way in the future that we will be able to begin to look at each individual and decide, scientifically, what is the best way to treat them for the disease that they have. And that will be a huge development in the control of the cost of health care.

So, for me, I think this is the best thing

that could happen to us here in this state. And again, I just want to say, if people like Fred Carstensen thinks the same way, it's got to be a good deal for us.

Thank you.

THE CHAIR:

Thank you.

Senator Meyer.

SENATOR MEYER:

Thank you, Madam President.

Colleagues, I have been your colleague for seven years, and I don't think I've ever been prouder to be a Senator than I am today as we look at this way to try to get us out of 20 years of economic stagnation.

The opposition seems to be saying we love Jackson Laboratories, but it's not the right terms. It's not the right way. It's a rush to judgment. And I wonder how many times -- and some of you have been here longer than me -- I wonder how many times members of this circle have stopped economic growth by saying I love the idea, but I don't like the terms.

I was a commuter going from Guilford to New

York for three years. And I heard -- I wasn't a member of the Senate yet -- but I heard time and time again the state government was not supporting our public transportation system. I wonder how many times in this Chamber and the Chamber downstairs, and in the Governor's office, it was said, well, I like the idea of improving the railroad system and the infrastructure system of Connecticut, but it's not the right time. It's not the right idea. It's a rush to judgment. That is a matter of grave concern.

I want to just share with you one personal experience when I was a teenager that pertains to what we're doing today. When I was a teenager, I saved up my allowances for several years. And I looked at what was happening in the country. We're now talking about the 1950s. Television was emerging extremely fast. And there was a company in Texas that was making semiconductors. And the company was called, of course, Texas Instruments. And I told my parents that I was going to invest in this Texas company. They're making semiconductors. And I remember my father saying what are semiconductors, that is a foolish thing to do.

Invest in General Motors. As this country goes so -- as General Motors goes, so goes this country.

And I went to a stockbroker and said I want to invest my allowances in Texas Instruments, and he tried to dissuade me from that. Well, that day, in the fifties, I bought Texas Instruments at $12 a share. And some years later, I had sold it at $247 a share. And my wife and I bought our first house, because we looked at this -- this industry of semiconductors as the glass being half full and not half empty. We saw the future of that.

And I think -- I think the Governor and the majority of us in the Legislature see that future and we're very excited about that.

I have tried to get to know Jackson Laboratories a bit. We've met with him recently, met with some of their representatives. It's an 82-year-old company. Had the courage and independence to be founded at the height of the Depression in 1929 and had the vision to see what would happen in bioscience in the midst of such a deep depression.

Price Waterhouse recently stated that this industry, this bioscience, and particularly

genetics, has got sales of $284 million a year and has an 11 percent growth rate -- I'm sorry -- $284 billion -- billion -- billion with a B -- $284 billion a year with an 11 percent growth rate.

As some of you have stated, and Senator Prague was very articulate on this, and she and I are among the older of you. We -- we feel a very personal -- and thousands of our constituents feel a very personal interest in personalized medicine.

I have a history in my family of heart disease. I have an arthritic right knee that's preventing me from playing tennis the way I'd like to play it. I love the idea of personalized medicine. This is a great wave, a great industry. Very meaningful to so many.

And, you know, most of us in the circle -- some of who were not here in 2005, but those of us who were here in 2005, we saw the future of an earlier form of bioscience, and that was stem cell research. And we voted, in the circle -- I think it was unanimous -- to invest $100 million in stem cell research. This is a continuation of that effort.

So, right terms -- it's not the right terms?

Is that why we've been stagnant? This is a great -- a great concept. I'm going to really urge all of you who are -- still have an open mind about this, and even those of you who have indicated this is not the right terms, to be part of an economic renaissance in Connecticut. To be part of what others have called the reinventing of Connecticut and -- and to support a project that is intended, not only to overcome horrible diseases, but also to give us longer, healthier life.

Thank you, Madam President.

THE CHAIR:

Thank you.

Senator Duff.

SENATOR DUFF:

Thank you, Madam President. Good evening. Something like that.

THE CHAIR:

Not quite.

SENATOR DUFF:

Almost. Almost good evening then. Well, I'm going to play a little cleanup here for Senator Cassano and Senator Prague. I also have a Yogi Berra quote. And my quote is when you get to the

fork in the road, take it. And I think that's where we are right now. And I rise to enthusiastically support this agreement that we have today. And Senator Prague mentioned Fred Carstensen from UConn. I have a quote -- if I can indulge the circle for moment -- I'd like to read that -- he -- he sent me an e-mail today and I'd just like to read it for the record.

He said this is not a case of government picking winners. Jackson Labs is the Mercedes-Benz brand of medical research. It is an extraordinary coup for the state, its citizens, and -- and its economic future.

It transforms the $840 million agreement that Governor Malloy made -- the $840 million investment -- I'm sorry -- that Governor Malloy made with BioSciences Connecticut into as close to a sure thing as I think it would have been possible to achieve. A high risk bet has won.

You know, we, in the circle, and around the state government have lamented for about 20 years of no net job growth in the state. And we continue to try and work on issues bit by bit to hopefully turn that around. But really, as we all know, we

can't continue to take baby steps. We've got to think big and we've got to take big steps. And some of that is -- is a risk, but we have to take those risks if we're going to change the fact that we've had no net job growth in 20 years.

Well, thankfully, we started down that road with the UConn Health Center back in May. We took a risk. We took a leap a faith that the investment we were going to make was going to pay off. After years of stops and starts, and little bits and pieces, and never being able to get out of our own way, we took this risk. And that risk has paid dividends of bringing us Jackson Laboratories.

And again, those who knew it was a risk, we voted for it, but we knew that it would -- it could and would pay off. And I think that's where we are today, is that we are at this point where we have cleared the road. We have set a new road here, that started with the UConn Health Center, and now we have Jackson Labs that is coming to our State.

This is Connecticut. This is our sweet spot. We are a State that brings jobs in because of our highly-educated workforce. We have beautiful natural resources. Industry comes here because of

the fact that we have such a highly-educated workforce. We have good paying jobs. We have a high-growth industry, and that's what we should be going after.

We're not the -- we're not the State that makes the ten-cent widget. The state that lost -- we could lose that to, maybe, a State down south, until those workers are too expensive for that widget, and then those jobs go over to China, and then those jobs go from China to another country until that becomes too expensive, and they go to another country.

Our sweet spot is in getting highly-educated jobs with the highly-educated workforce, good paying jobs that contributes to our economic prosperity long into the future. That's where I see the State of Connecticut.

That's why I'm so enthusiastic about Jackson Labs coming to the State of Connecticut. It's not just about Jackson Labs. We first started with the UConn Health Center. We continue on with Jackson Labs.

My hope and my vision, I'm sure, others as well, is that we will see other companies in this

industry that is the fastest-growing industry in this country come to Connecticut because they know that this is now the place for this to happen.

You think back to the research triangle down in North Carolina. That was a vision, a government vision, that started back in the 1950s that now, today, we are seeing how that is paying dividends.

So, Madam President, I do believe we are at the fork in the road and I do believe that we should take it.

Thank you.

THE CHAIR:

Thank you, Senator.

Senator Crisco.

SENATOR CRISCO:

Thank you, Madam President.

Madam President, I also rise in support of this proposal, and I'd like to commend the Governor and OPM Secretary Barnes and Commissioner Smith and Chief of Staff Bannon for their leadership in getting us to this point.

Madam President, I have a quote on my desk given to me by my dear friend and colleague, Senator Maynard, which states, do not go where the

path may lead. Go instead where there is no path and leave a trail. And I like to remind this circle that we started a trail some years ago.

We started the trail by creating a biomedical research fund for cancer, heart disease, smoke-related illnesses, and then amended it for diabetes and Alzheimer's. And we also continued, as Senator Meyer's mentioned, with our support of stem cell research followed up by Senator Looney's bill in regards to clinical trials. So we have started this trail.

I respect the position in regards to the financial structure, but I think we have to take into consideration what the human element may be here. We're not talking -- not only about dollars, but also about lives.

Senator Bye mentioned breast-cancer. We are the leading state, because of this circle, in the country on early diagnosis of breast cancer due to dense tissue, and perhaps even the world. Wouldn't it be fantastic that Connecticut, through Jackson Labs, could be the leader in a cure for breast cancer in years to come.

So I think we have a fantastic opportunity

here, Madam President, and greatly appreciate all the work that has been. I look forward to a great future for the people of Connecticut.

THE CHAIR:

Thank you.

Senator Boucher.

SENATOR BOUCHER:

Thank you, Madam President.

Madam President, this exciting opportunity is one that, under different circumstances, would get my very enthusiastic support and vote.

Fifteen years ago, as a new member of the Connecticut House, I had two areas of focus, education and life science and biotech. I partnered with colleagues, scientists, business leaders such as Harry Pinner, and the precursor to CURE, to enact R and D tax credits that exist even to this day, albeit with many changes along the way since. Why?

Well, you know, I had first-hand experience as an advocate at the University of California in San Diego transforming itself into a leading research institution. So I know, with first-hand knowledge, that it can happen and that my vision that I was

wanting to see that our premier university, UConn, do the very same thing.

And UConn has elevated itself in our state, both in stature and in reputation, and has risen to be among the top 20 universities in the country. It has done so much to benefit its citizens. But the citizens of our state had helped to make this happen, and they've done that by the power of their precious and scarce tax dollars. And I supported it, the health care center, its expansion into division one football even, and its playing fields, and strongly supported our investment in stem cell research. Because I do believe, like most of you, that it is the future for us, and it lies in science and technology.

So this project has very much to offer. Its prestige attracts leading scientists. It definitely would do that here in Connecticut. It is possible to have spinoff jobs, no question. It helps to build a cluster, all positive for our ailing economy, as just been mentioned.

However, you know what holds me back from this vote today? It's the knowledge that states often build or fund lab space with state land and they do

it to lure, not only nonprofits, but also for-profit companies to do their work and grow their jobs there. All tax free, and most often rent-free as well. But, usually, the State or the University holds ownership of the building and -- and even the land. And we are talking about the taxpayers' money here.

This proposal would give away all the assets it wants from day one. And, you know, it is a concern, because it is not necessarily a going concern that they would start here. It would be something new. It is not a continuation of the business that they're in right now. So it is something that they haven't done before, and they are taking a risk, as the State is. And, by the way, that's okay for us to take those risks. It's -- there's too important of an outcome here.

But, on the other hand, it will be ten to 20 years before we can create these three to 600 jobs, and it is an uncertain possibility. But even with that, I do believe it's a risk that's worth taking. My comfort level, and some of others, would be greatly increased if the $200 million building was not given away on day one without even just a

little contribution, even a nominal small amount to participate in that risk-taking. And if not, then the ownership of the land should probably remain with the State or even UConn, in their hands, particularly if some hurdles would be made along the way, and then it could be reverted to the -- to the Jackson Laboratories Institution.

I feel it is our fiduciary responsibility on the behalf of the taxpayers of the state. So reluctantly, I feel that I can't support it right now, but I do see the value it -- of it, and I hope that all of the great projections do prove out to be true.

Thank you, Madam President.

THE CHAIR:

Senator Leone.

SENATOR LEONE:

Thank you, Madam President. And good afternoon. It's -- it's a pleasure to -- to be here in this circle today to talk about the opportunities that we face and the solutions that we can offer our State. And I just wanted to remember to everyone that the reason why we're here -- and we've all said it, both sides of the

aisle -- it's all about jobs, j-o-b-s, jobs.

We have said that we have lagged measured against other states in job creation. We have said that we are not business friendly. We have an employment rate of 9 percent, and that's across the nation, so it's not like we're any higher or any lower than others.

So I say to everyone we shouldn't wait. You have people that are out there that are hurting. We have an opportunity to create jobs. We're going to talk soon on a huge jobs bill that has something for everyone, for a lot of businesses in the state, to streamline regulations, to have credits to hire people and veterans and long-term unemployed, to have vo-technical skills lined up with the type of training that our employers are searching for.

But this bill also gives us an opportunity to create yet another industry that the State of Connecticut can be proud of, can be a leader in. The bioscience community is a growing field. It's probably one of the few that's growing anywhere you go.

Our aging population is aging rapidly. So just out of clear necessity, this is going to be a

critical industry for the future. We should be a part of that. We should lead in it. And it's going to be an anchor.

Jackson Laboratories will be an anchor for our state to bring in other businesses that can feed off what they are going to produce. And as a matter of fact, they're not the only ones in town that have that kind of business. We have a report here, an economic review, from the utility companies that give a really great analysis on a clear picture -- a clearer picture of on how great the State of Connecticut is and how we lead in many sectors. I won't bore you with all the many that are here that we sometimes overlook.

But in Connecticut's biomedical industry, we have over 400 biomedical firms in the state, producing 1.5 billion in sales per year, and exports 1 billion products annually. So I say to you that Jackson Labs has plenty of people that will -- are interested in them being here, plenty of in-state businesses that are happy that they are coming here, happy that we are incentivizing them to come here and grow this industry.

What we need is Connecticut to define their

future. What do we want to be known for? We used to be known for manufacturing. We used to be known for defense. All those that are on the decline, whether through cuts, budget cuts, or through global pressures.

This, on the other hand, is going to lead the way and we should be part of that. We can't now say that we're not business friendly. The Governor went out and said open for business. The State of Connecticut is open for business. He has gone out, not just to the State of Connecticut, not just through all the communities. He's gone out to other states, down to DC, talked with other governors. He's going after business.

We passed the UConn bioscience bill in June. Four months later, we now have Jackson Laboratories come here because of that, because they have seen the investment that we're willing to make. And I say to you that we're going to have more of those kind of investments.

And, yes, you can say this is a -- this might be a -- a lucrative deal for them, but we need to get people here and become an anchor. I can -- I have proof that it can happen. In my hometown, in

Stamford, we had a declining population, declining business environment 20 years ago. They went after the financial services. We attracted UBS. It was a big deal. A lot of people didn't want it for some of the similar reasons being stated today.

Now, you look down in that part of the State, it's a financial hub, a financial powerhouse, I think second only after New York. It's world-class. It's a hedge fund center. It's a financial center. You have two global banks there, and it still produces for this state. Even with the economic downturn, they still produce for the state.

It was mentioned earlier that we have NBC and NHL coming to the -- to the state, and I applaud that. I think it's a great deal. That's also a fledgling industry. We passed the film and entertainment tax credit a few years ago when there was absolutely no industry here in that regard, other than the ones that commuted to New York City.

Now, fast-forward three and five years, even with the naysayers who said it was too much, we have a major player in media that's going to invest in the State of Connecticut. Because why? We

looked forward to the future.

We picked an industry that we could diversify in, so that we wouldn't have all our eggs in one basket. And Jackson Labs is another egg in our basket. So even from a financial portfolio standpoint, you want to diversify. If one goes up, you have another one that could go even higher if another one goes down.

So we're diversifying our industry. We're going to define Connecticut as to what we need to be, what we should be. We're not going to turn our back on businesses that currently exist. That's what the next bill is going to be all about. This is a bill for the future, and I support it wholeheartedly.

Thank you.

THE CHAIR:

Thank you.

Senator Doyle.

SENATOR DOYLE:

Thank you, Madam President.

Today it's an interesting day. I've been up here a while. I've dealt with other issues in the past. A prior Governor presented to us another

plan, a very expensive plan, for a project that certain didn't have the benefits that this plan has today. But just like on that project, this project today, the easy vote is a no vote. That's crystal clear.

Do I like the price tag of this bill? Absolutely not. Do I like all the terms of the bill? Absolutely not. However, we're dealing here with an issue of risk versus reward.

One of my predecessors -- one of the members of the circle recently said a few minutes ago, quote, I know -- oh, I know maybe the benefits are thousands of jobs. Big deal, it was said sarcastically. To me, thousands of jobs is not a joke. It's a significant accomplishment. The State of Connecticut has had no job creation for 20 or 30 years. So I take -- if the -- the risk leads to thousands of jobs, to me, that's a victory. So I do -- I do not take with sarcasm thousands of jobs as an unsatisfactory result of this legislation.

Now, many others have complemented Jackson Labs for their great successes in the State of Maine and they have another operation in

California. And that's wonderful. So the integrity of this business is crystal clear. No one objects to that in the Senate today.

However, let's be straight here today. Let's be honest and straightforward with the public. If this bill goes down today, Jackson Labs is not coming to Connecticut. We're not going to renegotiate this deal. Right now, this is our opportunity. We're at the opportunity today to try to get some job creation in Connecticut.

The reason why I think this bill is a good opportunity because it presents a job creator source from a totally different world or sector for Connecticut. Right now, if this was 300 million for one particular plant in Connecticut, I would have strong reservations with it because they could pull out.

We're dealing here with an industry, an opportunity for the future. One -- one of my predecessors in the Chamber mentioned we're not going to know for 20 years. That's a fact. We don't dispute that. Today is not a vote for tomorrow or a year from now. We're all going to be long gone before we see the potential benefits.

The risk and reward, none of us are going to know what happens.

I'm hopeful, in 20 or 30 years, when we're all sitting home, the results will be there and we will have a North Carolina triangle, a research triangle, that we can be proud of. But the truth of the matter is, next year, election time, we're not going to know what the benefits are. And we can -- we can -- the naysayers can still hit all of us. They may vote yes or no, but we're taking here -- this is a vote of courage. The no, to me, is the easy way out.

We all talk about here, jobs. We're going to vote on a bill now that will be unanimous in a short time. To me, this is a bill that actually can lead to something. That other bill is wonderful, and it's bipartisan, and all that. We're dealing with here an opportunity to move forward with the Connecticut -- the State of Connecticut over the next 20 years. So when this Governor is long gone, we're all long gone, that's going to be when we know whether this is a success or not.

There was other comments that this may lead to

other existing businesses leaving Connecticut. The reality is they are leaving Connecticut. We invested in Pfizer and they left. Talk to the people in New London and Groton. They left has us. So that's -- that's, to me, is already happening. That's not a legitimate argument here.

There was also a lot of frustration with the process here, in the sense that it was a -- the -- the -- again, I'm not saying all the points I agree with, but there's frustration. Why don't we know all the terms of the agreement right now? We need to know. It was a secret process.

The reality is, with -- in the separation of powers, we're the legislative branch. The executive branch negotiates agreements. It's frustrating. And those of you that may have these big frustrations, I suggest you run for governor. You lead to negotiate these contracts. Because the truth of the matter is, over the years, I've been in many campaigns where people are frustrated about the way you allocate money, and they -- they tell me why did you allocate it here? The Governor has discretion. The people select the Governor. This Governor, whether you like it or not, is elected.

This is an opportunity that's placed before us. We have to make that decision. I think that this decision -- again, like, I don't like all the terms of it, but we have to rely on the chief executive.

Another comment is it's a secret deal. Why don't we know all the terms? In the business world, when business deals are negotiated, they are in private. If we don't keep the terms private in the negotiations, at this point in time, future businesses will not negotiate with Connecticut and our executive branch.

So if you want everything thrown out here, that -- that's going to lead to no future negotiations. Because in the private sector, terms of deals and negotiations are kept private. So I know it's frustrating for all of us. But if we want to lead, that's why our statutes have the terms of contracts to be kept restrictive, and it's unfortunate for some.

Another issue presented was the royalty issue, the Gatorade issue, the 10 percent royalty. At the present time, yes, that's not written in the bill. However, I spoke to leaders of our executive branch

yesterday. The issue was raised, and it's not -- it's not a done deal yet.

I urge, as part of the legislative record, that our executive branch in the future negotiations obtain that. They promised me they would strive for it. They didn't guarantee it for me, but they would strive for it. So today to say, absolutely, it's out, that's not true. There still is hope. And can I guarantee they're going to have the royalties? No. Regardless, we -- that's not a done issue. And I'm going to, again urge -- and I hope all of you in the Chamber, if this passes, you urge our executive branch and the Governor to seek a 10 percent royalty to make this a better deal. But again, at this point, the final terms of this deal are not negotiated, because that's the job and responsibility of the executive branch.

This was also presented as a reckless use of taxpayers' money. Certainly, it's risky. Reckless, I do not appreciate that. I do not think that's the case. Again, if reckless is taking a risk for future job growth, then you can call it reckless. I call it a risk that I'm hoping on a long-term reward. I think reckless is an

inappropriate comment.

Now, there's a lot of comment about Florida. What's the State of Florida? Why did they reject this deal? Well, the fact of the matter are, if you look to Florida, three other businesses, Scripps, Torrey Pines and Max Planck have deals that were given by the Florida government, richer than this, $500 million. Sounds like a lot more than us.

Now, the ironic thing is, who was the Governor at that time? Governor Jeb Bush. So Governor Jeb Bush made the -- the decision, at that point, to seek three $500 million deals, and maybe more. I know three specifically at this point. So, yes, we're dealing with a costly issue. But we -- we have to look at the potential for rewards in the future.

Now, again, this risk that's been presented today, and then the -- and the easy vote, again, is a no, has to be taken with the -- the reality of vision. What are we doing today? Today, it's -- it's a visionary vote. Could 20 years from now, I could be proven totally wrong, that it's a bad decision? That's absolutely true. But if we all

vote no and kill this deal, Jackson Labs is not coming to Connecticut, and it's a done deal. Trust me, it's either now or nothing. We have to make a decision today.

I am comfortable taking a risk. This risk isn't for a football team. This risk isn't for one -- one entity, one plant, or one company that could pull out. I think this is -- there -- there is a commitment for 10 -- for 20 years here. So, by -- by that point, we will know whether it -- it failed or not.

However, I think this bill is a question of -- of vision. I'm willing to take a risk. It's not a reckless risk, but it's a risk. And I just would ask my colleagues to think long and hard. The next vote is going to be great. It's going to be unanimous. But this is a real opportunity for job creation. And I'm going to go -- I will support the next bill, but the reality is, this bill could lead to real job creation down the road in the State of Connecticut.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator.

Senator Markley.

SENATOR MARKLEY:

Thank you very much, Madam President.

Senator Doyle raises some interesting points that apply to what I was thinking of saying actually while I was sitting there. And one of them has to do with the question of negotiation, private and public.

The fact that we are in a situation as a public body passing judgment on a contract which we don't have full knowledge of, because that is the way that private business functions, is one of the reasons that I think that, fundamentally, that -- matter of public involvement in private ventures is dubious. I have a philosophical problem with the government putting money into any private organization.

Now, that said, I'm no financial genius. I have -- my lack of financial expertise has led me to become an expert in thrift, perhaps, but I don't claim to understand investment strategies or the best way for job creation.

And I came to this vote and this proposal a little like Senator Suzio. When I went to the

presentation, open-minded, and maybe a little bit nervous, concerned about my ability to pass judgment on the proposal. I don't doubt that every single one of us wants to see job creation here in the State of Connecticut. I think that goes without saying. And all of us want to see our money invested wisely. And the difference between risky and reckless is a matter of perception in a lot of ways. It's -- it's a matter of where -- where you draw that line.

It was, let me say, somewhat reissuing to me, that the two men in my own caucus, who I trust both philosophically and financially the most from their background and from their (inaudible) is Senator Frantz and Senator Suzio. Both, upon looking at this deal, felt that it did not come up to the level of what they thought a good investment might be. Whether an investment should go forward or not, under any circumstances, it seemed clear from their analysis that it should not go forth under these circumstances.

And we're in a position, again, as Senator Doyle said, and I think he's -- he's laid it out very clearly, which is why I respond to him

specifically on this. We're in a position where we have to say yes or no today. And that's another thing that makes me very antsy. It's like when the guy shows up with a truck full of asphalt and says I'll take care of your driveway. This is what's left over and I can do it cheap right now, but it's this afternoon or never.

The experience of my life has made me increasingly skeptical about such deals. The more that I'm told that I've got to do it right now, the less inclined I am to do it. And for those reasons, I will be joining my Republican colleagues in opposing this bill.

I will finally say that I hope it works. It's obviously going to pass. And I sincerely hope that it does bear the fruit that we're talking about. I think we're in the midst of a world that is changing very rapidly on us. And, I think, any bet we put down that's going to be paid off 20 years from now, I hope we're around to see how it's paid off, whether we're sitting in this Chamber or not.

But I -- I'm not confident that I know what the trajectory of the world or the trajectory of our technology is well enough to feel that that's

going to be a big bet -- a good bet.

So with those -- with that explanation, Madam President, I will not support this bill.

THE CHAIR:

Thank you, Senator.

Senator Harp.

SENATOR HARP:

Thank you very much, Madam President. I rise to support this bill.

When I first came to the Senate almost a decade ago, we were in the midst of a recession and Connecticut really was challenged to figure out the direction in which it was going to go economically and where we were going to invest our dollars.

And so we invested in a number of things, and we really didn't choose one place to go. And I was heartened when I talked to the former dean of the medical school, Dean Cato Laurencin, who basically talked about bioscience being the direction that would catapult the University to becoming one of the great universities in the United States, at least if not the world, because it's based upon the amount of research that you have and that you do, where you're standing is. And right now, we're

kind of in the lower middle of the pack.

And so, with the $800 million plus investment that we've already made, this creates an opportunity for us to really become a world-class state in terms of biotechnology but, beyond that, have our university become that.

And why do I think that? I think that because the -- the newest dean at Yale School of Medical -- Yale's medical school basically said the experience that he had at the University of Texas, which is one of the biggest and fastest growing universities, in terms of medical research in the country, was that based upon laboratory space alone, you could predict synergies of economic development for each lab that you have.

So we were impressed with the labs that we were going to build ourselves, but the labs that Jackson built actually expands that beyond what those synergies were.

And so where do we have to look in our state to see who's actually taken that advice? We just have to look down the street, in my district, at Yale University.

In 2007, Yale University bought Bayer

Laboratories because they understood that they are standing as a preeminent medical institution, as a preeminent university in this world, was based upon their ability to get researchers to come in, do research. But that that just didn't help the University, it helps the entire area.

And if you think about where we are from New Jersey -- and we've heard a lot about North Carolina -- but if you think about New Jersey, New York and Boston, we are on the biotech highway. And the real question for me has always been, are we as a state going to be a player or are going to let the private institutions in our state basically take our place?

What this proposal does is to say we don't have Yale's endowment, because they could make the decision to invest that $360 million themselves. The endowment is our belief in our future as a State, and that's something that we hold in this Legislature.

And so, this is an important vote because it is a vote that basically says that we believe in our future, that we know where we're going, and we're going to invest in this area that we know is

a cutting-edge technology.

The other thing that we know is that's it already a $283 billion operation in our country and in our world that grows 11 percent. We just need to take a little bit of that for it to work on behalf of the people of this state, and to help us be a part of what is a growing industry.

So I urge you to vote for this, even though it's risky. Because this type of medicine does -- this does for medicine what Steve Jobs basically did for technology that was out there. It helps translate it for our youth. It makes it personal. It will change our lives. It will help us deal with those awful diseases that we haven't had the science to deal with before. And we, in Connecticut, will be a part of that. It's a great opportunity.

I urge everyone to get on board and help us take -- actually move down the biotech road.

Thank you very much and I urge your support.

THE CHAIR:

Thank you, Senator.

Senator Kissel.

SENATOR KISSEL:

Thank you very much.

Good afternoon, Madam President.

THE CHAIR:

Good afternoon, I think.

SENATOR KISSEL:

At the outset, I'd like to commend Governor Malloy for bringing this initiative forward. Our Governor is engaged. And while I may not agree with him philosophically on any number of proposals that he's put forward, I'm really happy that he's engaged on a daily basis. He wants, and we all want, Connecticut to prosper.

I also want to complement and commanded his Chief of Staff Tim Bannon, and other folks, Commissioner Smith, who had the question and answer period with House and Senate Republicans a couple of weeks ago. I'm not going to say that that was necessarily a brave venture, but I think it was a strong step towards transparency and a good level of communication between parties and branches of government. And I want to see more of that. I think only good can come of that. The administration may not necessarily agree, given some of the criticism, but I think, in the long

run, that's a good path to follow.

So I am not hesitant, whatsoever, to say to the administration, I think, to the best of your ability, you've rolled this proposal forward, as you saw fit, trying as much as possible to reach out and break down barriers and break down silos and break down the divisions between parties and caucuses.

And I think that the net result for that kind of process will be seen in the vote on the next bill, the jobs bills, that will come before us. Because when you have people gathered around the table, and everybody feels that they have fair input, I think that you see a lot more bipartisanship. And I think the vote splits will actually bear that out.

I have heard this afternoon that we have had vast projects come before this Chamber over the last couple of decades and many of us have supported them. They say consistency is the hobgoblin of little minds, and maybe when it comes to these proposals, I've got a little mind. Because if you rollback on most of those big proposals, I've been a no vote. Maybe it's because

I strive to be a good reflection of the concerns of my constituents.

When it comes to this proposal let me express those. I've had at least six in the last five months, what I call "Senator on your sidewalk", where I got out in front of various stores, into my community, for an hour and a half or two hours and just let constituents talk to me about what's on their mind.

Recently, I've had at least three of those, if not four, since this proposal has been before us. And I have not found one constituent in my district that is in favor of the Jackson Laboratories initiative.

It is not -- it is not that they don't believe in bioscience. How could one have been there and witnessed the PowerPoint presentation given to us, and gone through the background history of Jackson Laboratories and not been moved by what they are doing? Over 6,600 different breeds and strains of mice done specifically for research purposes, not only sold throughout the Northeast, but sold throughout the world.

Nobel prizes, to my knowledge, at least one

directly from Jackson Laboratories, but at least 20 more -- or more from researchers utilizing the products of Jackson Laboratories.

As we get older, and Senator LeBeau indicated this, as the baby boomers age, it is just a mathematical certainty that we are going to need more research -- more research into areas that will heal us. We've got that huge bubble. And to the extent medical analysis and treatment gets more precise, it's my belief that that will be one of the ways that we solve the fiscal crisis that occurs with medicine. We have that giant debate going on now nationally.

How do we pay for the generations to come, and in particular the baby boomers, when it comes to medical treatment? And to the extent we can draw down to become more precise, such that one takes a genetic snapshot of each and every one of us so that the physician can prescribe precisely, I think that that not only will be more productive and efficient, but it will be far less costly.

So this technology, this endeavor, I see as exciting as in the late 1960s wanting to put a man on the moon. And I hope, at the end of the day,

because I am completely assured that this initiative will pass, that this is Connecticut's Spindletop. That this is that big oil gusher that they found in Texas that was the bellwether, was the prelude, to all those oil fields, and all of that giant generation upon generation of prosperity down there in Texas.

Now, I have heard, in this circle, that sometimes individuals say, well, you know, Connecticut sort of had different types of industry, and to the extent we're not making widgets anymore, we'll let them go down South.

In my analysis as to what's occurring in our nation, in many, many ways the South is eating our lunch. One of the studies that I had requested from our top-notch staff on Program Review and Investigations was one looking at e-commerce. We are so far lagging behind with that. And there's a big thick study, and it's my understanding that Governor Malloy has embraced that study and wants to make initiatives regarding it. But if you drill down deep, you'll see that states like Alabama and Georgia and North Carolina are far and away ahead of us regarding some of these high-tech initiatives

to make government user-friendly and to make government more accountable and efficient to their business communities.

Let me circle back to the "Senator on your sidewalk." When I searched beyond the initial reaction of my constituents that they are not in favor of Jackson Laboratories, what is on the top of their mind right now is that they understand where we are in the world. They look at the problems in Washington as being driven, in part, by our high national indebtedness. And they have great concern with Washington's desire, at least the current President's desire, to jump-start the economy by throwing more government dollars into certain programs, Solyndra, other solar initiatives, where they say -- and these are bright people.

You know, China is way ahead of us on this. We're never going to be able to catch up. It's foolish to throw away billions of dollars to these things and have, six months later, it's totally evaporated, or hedge funds have taken a priority interest to our investment as taxpayers. They don't necessarily trust those initiatives and they

found many of them wanting, in oversight, and being responsible for taxpayer dollars.

They look at Europe -- and I would just throw out there to my colleagues here, is Connecticut more like the powerhouse Germany right now, or maybe more like Greece, or are we somewhere in between? But my constituents look over across the Atlantic Ocean and they look at what's happening to the European Union. Great angst. You have nations like Great Britain who have, I wouldn't necessarily say "welfare states" but huge government programs that have proven to be unsustainable.

You've got Greece that has been propped up by loans, has not taken financial measures to rein in their spending, and now find themselves maybe the first domino as other dominoes will fall. Whether that's Italian banks or other financial institutions, I don't know.

And so my constituents relate to me that one of their concerns is that you have all of this indebtedness in Europe. And for that continent to be financially propped up, there has to be an agreement between France and Germany, the two remaining economic powerhouses. Great Britain

lags, and they have divisions, and they don't always see eye to eye.

And to be quite frank, the countries that have worked efficiently, worked hard, have not borrowed heavily, are feeling a little bit upset over bailing out the countries that have shown no restraint.

So my constituents looked to me, when a proposal such as Jackson Labs comes down in front of us, and they say we're concerned about the indebtedness of the United States and we're concerned about government's inability to watch our tax dollars.

We look across to Europe and we see that they could actually be the beginning of a double dip recession that's really going to hurt us, and unless they get their financial house in order, I don't even want to make another investment in Wall Street, in my IRA, or anything else like that, because I am frozen solid.

I look to Connecticut -- and we could lay blame. People want to say the last 20 years -- and I'll say in the last 20 years, the Democratic Party has controlled this Legislature for 18 out of the

last 20, and the Senate was controlled by Republicans for two years. But then, people on the other side of the aisle can say, well, look who was in the governor's office, and it can go on and on and on. We'll leave the last 20 years behind us.

But when we adopted the income tax, there seemed to be a change in our economy as a state. Whether that was a precipitant cause or not, we'll leave that for another day as well. But clearly, Connecticut hasn't really moved forward very fast in the last two decades.

And my constituents tell me, I don't mind if you want to make good investments, pinpoint investments, with our tax dollars. John, that's why we elected you and your colleagues. We trust you to make those decisions. But whatever investments the State makes, A, we prefer if it was across the board so that it's some sort of policy that all businesses could avail themselves of, or, B -- or B, make sure that, if things go belly up, we get our money back or there's enough strings attached that we're not being taken for a ride.

And when you have a company such as Jackson Laboratories, it has an emotional pull, and I

understand that. Nonetheless, my alma mater twice over, UConn, I voted against it twice for the expansion of the health center, as much as I would love to have supported that.

But at the same time, I can't help but recall my constituents expressing the concern that Connecticut, flat job growth for two decades, tremendously high, unfunded pension and healthcare liabilities, and Moody's, and Standard & Poor's, and Fitchs has brought that to our attention, and we can't ignore it. So what are the terms of the deal for Jackson Laboratories? And, oh, by the way, John, I just read in the paper that we have the highest bonded indebtedness per capita than any other state in the nation.

And if you take away Fairfield County, it's scarier than that. Because let's not forget that that one county is the bulwark of our taxes and brings in about 40 percent of our revenues, and that skews the numbers. Once you take that county out of the equation, Connecticut isn't super rich like the rest of the country thinks. We're as hardscrabble and struggling as anywhere in the country, and that's my district.

So, John, what are you going to give me for my $300 million? 300 jobs guaranteed in ten years. And they scratch their heads and they go a million dollars a job. Oh, these are really good jobs. And what other guarantees are there? Well, if in the ten years goes by and they don't have the 300 jobs, we get to claw back the money that we expended on the construction mortgage. How much is that? Oh, about 291 million, (inaudible). What about the other hundred million or so? Well, that's an outright grant to the company for operating expenses, whatever they want to use. Do we have a right to claw that back? No.

Well, what if they create the 300 jobs and the next day they flip the property and the company lays off everybody? We've all seen the movie Wall Street. It's not like these things don't happen. What rights will we have? We'd have no rights. And that's the problem that I have. That's the problem that my constituents have.

In the spring, it was proposed if you build it they will come. And I've stolen that line from Field of Dreams, but it's apt. When the UConn Health Center expansion was proposed, if you build

it they will come. Now, we learn that if you build it, they will come if they're given other incentives, financial and otherwise. Okay.

And for this cluster to start to multiply -- God bless you -- will we have to offer incentives to the next company and the next company and the next company? Where does it end? Okay.

I will be the first to admit we live in a complex world. The world is flat. I would suggest that we need a coherent plan as a small state to begin to treat all the businesses that come knocking on our door the same way, or we're going to get nibbled on and taken advantage of, and there's going to be one shot here and there.

I'm not saying it all has to happen overnight. And part of this cogent, coherent plan should be how do we respond to any and every company that comes knocking on our door? Because what I'm seeing evolve here -- and the lobbyists are having a great time doing this in Washington, picking winners and losers. And right now, green energy and all these initiatives are the big winners, although I'm seeing that, in many respects, the taxpayers are the big losers.

But just, like, in the last decade or two, we've seen business come in and say, oh, can you move this from Stamford to Norwalk or can you move this from Windsor to Hartford? And they want to get towns to give different tax breaks, and they play one off the other. My heavens. Businesses have learned and now they're playing one state of the other -- one country off of the other.

But we don't have an unlimited pool of tax dollars to do this willy-nilly, loosey-goosey. We need a plan. And we need a plan so that when we go back to our constituents we can say, if this doesn't work out, these are the guarantees. Do they need to be as ironclad as if we were a board of bankers, bank directors? I don't think so. That probably wouldn't necessarily work.

But do we need a plan where, if we all came together, Republicans and Democrats, worked with the administration and said this is our guidebook. We're not going to give away everything in here, but this is the parameters as to which Connecticut is going to play in the world.

And we can pick the industries if you want. But we can't hurt the industries that have been

here for generations just because something new and sexy and glamorous and wonderful knocks on our door today. Because even if that doesn't encourage the businesses that are here to leave, it sucks the wind right out of the room. It's like a gut punch.

And when I go and I talk to the people that are struggling to make payroll and make ends meet that are in these businesses that have been here in Connecticut for tens of years, if not centuries, they feel it.

I'm bullish on Connecticut too. I don't want to throw out manufacturing. I don't want to throw out any sector in our state. They're all good. They all provide jobs. They all put food on the table and a roof over my constituents' heads.

So I'll be voting no on this proposal because I do feel that terms are completely inadequate to protect the taxpayer dollars. I also think, just as a practical matter, waiting ten years for 300 jobs is preposterous. I had stated when we stated -- debated on the floor the UConn Health Center, I don't know what cell phone technology is going to be like two or three years from now. How can we predict what bioengineering and technology and

research is going to look like ten years from now?

And when I asked that question at the Q and A period, it was told to me that these super wonderful researchers, professors, doctorates, Nobel winners, that it takes a long time to bring them into the state. Well, even if I had a half a billion dollar movie and I was trying to get Hollywood's best actors, it wouldn't take ten years to get them to go and be hired.

We're making a tremendous investment, ten years. I can't go to my constituents and say what I'm doing today is only going to be checked on ten years from now. I can't do it. They shake their heads. They're in business. They're in corporations. You do things quarterly. You file with the SEC quarterly. You do projections for Wall Street annually, maybe two years out. We all know it gets a little gray after two. So that the investors, whether they be hedge fund managers, or just a grandmother investing her pension money, can look, have statistics.

We've built in so many safeguards into that, and yet none of those safeguards are here when it comes to investing state taxpayer dollars. There's

a disconnect there and my constituents understand it.

We may not have to run state government like a business, but what I'm urging all of us to do is to run state government more like a business than we have been. We can use some of those guidelines so that we are fulfilling our fiduciary duty to our constituents with their hard-earned tax dollars.

I agree with all of my colleagues here. I hope this is a giant success. I hope that when Chief of Staff Bannon says that as soon as the ink is dry on the paper, Jackson Labs is going to start moving folks down from Bar Harbor to start filling up some empty office space on the UConn Health Center campus. I hope that's a reality. I hope that it's three years and we have 300 jobs and we're going just, like, crazy, as far as this initiative can go.

But please don't read into my no vote that I'm not bullish on the State. And please don't read into my no vote that I don't look to Jackson Laboratories as something on the cutting edge and something very worthy of our attention. Please look upon my no vote as one Senator who's reached

out to his constituents, tried to learn from them, I continue to try to learn from them, and trying to express their opinion as to how this State should go.

We're a small state. We need to be a nimble state. We need to be a smart state. And we need to use our diminishing revenues, our resources, even if they're not diminishing this moment, they're finite. And one thing we do know, through this recession, is that they are finite and what we use for one investment we will not have for a second investment down the road.

So every one of our decisions needs to be very well thought out. And for that reason, Madam President, I shall be voting no.

Thank you.

THE CHAIR:

Thank you.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President. Madam President, I'm rising in support of the -- of the bill.

Madam President, so much of the debate here has been about our future. And I think we need to

recognize that we do need to think in longer terms than merely what can be done within a quarter or a year or two years. Perhaps we're so locked in to the idea that we have two-year electoral terms in the General Assembly, and we adopt two-year budgets, but sometimes we need to think beyond what -- what can be accomplished in two years, and make a longer-term investment. And this is what we are looking to do today through this proposal regarding the development of a Jackson Laboratory facility at the UConn Health Center.

And the reason, Madam President, is that we are -- are catching a rising tide in this approach this year. Jackson Laboratories, as has been mentioned earlier, has been in existence for more than 80 years. But its substantial period of growth has come in the last 20 years. That its -- its workforce for -- between 1991 and 2011, its workforce grew from 558 to nearly 1400, and it's annual budget grew from 27 million to more than 200 million in that time. And that is because genetic medicine, genetic research has been booming in the last 20 years. It is the field in which Jackson operates. And it was a field that was

mostly theoretical only 20 years ago, but is now actual in so many ways.

Jackson researchers have discovered -- made the first link between cancer and viruses in -- in mammals leading to discovery of -- of a cancer-causing virus passed through breast milk, key for understanding how genes affect cancer. Discoveries were the basis for the first human bone marrow and organ transplants. It discovered leptin in the 1960s, a protein hormone that plays a key role in regulating appetite and how the body uses energy from food. It's research laid the foundation for modern stem cell research, which has been accelerating only within the last decade or so.

So we are -- we are catching a wave here. There is an opportunity here that we need to move on, and we need to move on now. Obviously, the safest position always, and the -- the one to avoid any potential criticism or avoid any risk, is to stand on the sidelines and watch the world go by. But that is not tenable for us to do. We need to pursue this opportunity.

It was mentioned that -- Senator -- Senator

Duff and Senator Doyle mentioned, we need to pursue this opportunity. This is presenting itself now. This is our time. This is our -- our opportunity to do this. Timing is everything in these proposals, as we know.

When we passed the -- the bill last spring to create the expansion and enhancement of the UConn Medical Center in Farmington, we did that on the expectation that it would create synergy, that it would attract other investment. This is the first dramatic example of that.

As -- as Governor Malloy has had, this is something we were counting on, we didn't necessarily count on a major opportunity of this kind presenting itself so soon. But again, timing is everything in these proposals.

We look at the fact when Franklin Roosevelt was president, he had three vice presidents, John Nance Garner for eight years, Henry Wallace for four years, Harry Truman for three months, and Harry Truman is the one who became president. Timing is everything. Being in the right place at the right time to pursue an opportunity is what we need to do.

Senator Kissel mentioned that we need to be -- the state needs to be nimble. Well, this is exactly what we're trying to do, to be nimble here, to move when an opportunity presents itself, to become part of a field in which Connecticut can become part of a booming growth industry, the most exciting aspect of medicine on the horizon.

As we know, personalized medicine is likely to be the key to so many changes in the future of medicine. As Senator LeBeau and Senator Meyer and Senator Prague mentioned, there is increasingly the recognition that most medicines on the market are marketed and presented in a somewhat -- in -- in a way that is reflective of a general population, but are not equally effective for everyone.

As we all know, some medications are optimally effective on certain doses for a certain number of people, only effective at higher or lower doses for other people, not necessarily effective at all for others. It really is a sort of hit-or-miss system. As Senator LeBeau said, sometimes people have to experiment with three or four different cholesterol-controlling drugs before they hit on the right one. The same is true for other diseases

as well.

This allows us to be part of a movement toward fine tuning and personalizing medicines in a way that will become increasingly important. Already, we see that there are so many medications. There are probably -- probably aren't any people in this circle with -- with chronic conditions like cholesterol -- high cholesterol, or arthritis, or others with multiple sclerosis, or other conditions -- have not already -- in many cases, are already probably are taking some drugs that have been developed as a result of Jackson Laboratory research with the genetically engineered mice as the basis for those experiments over the years. That is something that is already happened.

That's also true for diseases like Parkinson's disease, asthma, and -- and so many others that we have already benefited from, the research that has gone on there, as the baseline for developing medicines. This is something that allows us to be at the heart of that and to go forward as we grow in the kind of synergy that presents itself through this unique opportunity.

Now, we will be -- be doing something that

other states have done before. About 50 years ago, the State of North Carolina recognized that its economy based on textiles, tobacco and furniture building was somewhat stagnant, and needed to look around and do something else and take advantage of what its inherent resources were. It recognized that it had some major universities there located in fairly close proximity to each other, Duke University, University of North Carolina Chapel Hill, North Carolina State University, created the research triangle.

We have that opportunity here with the University of Connecticut and Yale University, located in close proximity also, as -- as Senator Harp mentioned. There's a synergy that can be developed through that, and the connection now to what is likely to be the most dynamic growth area in medical research in the decades ahead.

This is something that we need -- that we need to pursue now and to take advantage of this opportunity as it presents itself. We need to think of our history, of the other investment that we have made in the past. Senator Cassano mentions the -- the controversy over the Buckland Hills Mall

more than 20 years ago, and the fact that there were innumerable spinoffs that were not necessarily connected -- accounted for by the Mall itself but by things related to that development.

We have the same kind of development and many -- discussion on many state initiatives. I remember around the same time that -- Senator Cassano referencing the Buckland Hills Mall in the General Assembly. We were debating whether to build Gampel Pavilion in the 1980s for an expansion at the time.

I recall the debate were some people said why should we be building a 10,000-seat facility on the UConn campus when sometimes the field house, which seats 4,000, is not necessarily filled for basketball games. It's going to be embarrassing. And, of course, a couple years after it was built the complaint was why didn't we build Gampel larger because it sold out all the time. And not only Gampel, but we're filling the 17,000-seat Hartford Civic Center for games as well.

So -- and the same is -- the same is true with UConn 2000 itself, the discussion earlier about only investing in things that can pay off within

two years. It was certainly clear that UConn 2000 was not going to raise UConn to the top level of state universities in two years, but it is well on the way to doing that now, 15 years into the program. It's doing exactly what we expected that it would -- would do.

The peer group of the University of Connecticut is no longer the -- the regional state universities in New England, but now national state universities. We all take pride in UConn's high national rating. We're now -- it's aspirational peer group is the University of North Carolina and University of Virginia, and places like the University of Wisconsin, University of Michigan and University of California at Berkeley and Los Angeles. That is our aspirational framework now, not at the level where we were 20 years ago, so that, sometimes, the current frame of reference is too limiting. That we should not be limited to look at ourselves only in that -- only in that way.

So we have to recognize, Madam President, that when an opportunity like this -- this comes, it is worth making the move to make the investment. The -- as we know, the investment is not going to

be made all at once. It's going to be made over a -- over a ten-year period. There will be further negotiations and discussions and -- and specifics built in to the framing of the -- of the agreement and the long-term relationship that we will have with Jackson Laboratories going forward.

But again, this is an -- an exciting thing that we have the opportunity to do today. It's presenting itself to us now and we have to be ready to -- to move on this. And I think the Governor and his chief of staff, Tim Bannon, and Commissioner Smith deserve great credit for bringing it to us and for all of us who -- all who have worked on it so far are really excited about it and recognize that it is something that is inextricably tied, not only with our -- with our present, but also the kind of future we want to have.

We define ourselves as a state of high education levels, high technology, and high aspirations. Connecticut, historically, had always been the state that -- that has defined itself on a highly specialized, talented workforce. That was true 60 or 70 years ago when we had the best tool

and die makers in the -- in the United States. It's also been a time when we recognized that our economy has, in fact, changed.

We are in a position analogous to what North Carolina found itself in. We were previously founded upon -- on defense industry. That was our major -- our major approach to -- to job creation. Now, our economy has changed. We need to find what can be our future. And moving aggressively into biotech research can be that future.

It requires us to make this investment today because this is the specific opportunity that has presented itself, in this timeframe, and now is the time to do it.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator.

Senator Fasano.

SENATOR FASANO:

Thank you, Madam President.

Madam President, I rise in opposition of this bill. And I'm not going to go back and talk about those comments that my colleagues had with respect to 300 jobs at 300 million, and the deal being too

lopsided, and the tax benefits that we're giving away, and the -- and the finances that we're letting go by.

I guess, I want to preface my remarks by saying business is like real estate. Its location, location, location. And here we have a bill that people are indicating is a banner for job creation and economic development. Frankly, what that's implying is that, since we don't have an environment in the State of Connecticut that we've created for economic development, we need to pass a bill that helps us get there, which means the way we have the State set up is fundamentally wrong. And we're doing this carve out, and I get that.

Because of the climate we have placed, we need to incent businesses to come to the State of Connecticut, and I think that's a good thing. The question is what cost? The question is what have we given away or negotiated away?

Now, I asked for an FOI request to get the letter of intent between Jackson Labs and the State of Connecticut through DECD. And I agree with those who said the Governor has a right, as the executive officer, to negotiate the deal. I agree.

And if he didn't need legislative approval, he has a right to negotiate, put into writing, cement and consummate the deal. But when you come to the Legislature and you need our approval, by virtue of our laws, then we get to know the deal.

Now, I was told I could not have that letter of intent. And for those of you who may not understand -- and I'm not preaching down -- what I'm suggesting to those who may be listening, don't understand, what does the letter of intent have -- have to do with the deal -- because a letter of intent set out the basic framework to know that you have a meeting of the minds as to what the deal is and those structural points, and then you do a contract that's a lot more detailed.

And what I was asking for are what are those structural points that I know you have a meeting of the minds? What has the State promised to Jackson and what has Jackson promised to the state? I was told you cannot have it because it has trademark protection under FOI. Well, that's right, in part. You can redact those trademarks and, under law, you're supposed to. I'm not asking how you raise the mice, how you figure out the DNA, what you're

going to do to make your company more profitable. I'm asking what was the financial deal? What is the protection for the taxpayers? That's what I was asking.

In all fairness, I will say that the governor's office, through its Chief of Staff, ask that if I wrote questions they would give me answers. And they did so, and I want to thank them. The answers were prompt and they directly answered the question that I posed, and I want to thank them for that.

But that's a little bit like hide the peanut. And I'm not being disrespectful. But, as a lawyer, I know when you're asking questions what you're supposed to ask. But if you don't know the deal, you don't know what questions to ask. So you've got to start it at the 30,000 foot level, to get 20, to get to ten, and there's just not enough time to get to the real questions.

So what are the concerns? What are things that we should know? Well, there's a lot of concerns. What is the clawback provision? After the ten years, they own the building. They have a 99-year lease, they don't get the 600 jobs, can't

evict them. They own the building. You can't stop them from getting to the property. No court would ever uphold that. Plus they probably have the right for the parking lot. So what are the clawback provisions?

And if the property is in the name -- the building is in the name of Jackson Labs, what are the protections against an adversary lien being placed on the property? What do you mean by that? Well, Jackson Lab is, as we talked about, a large company. So if they have a company up in Maine and they get sued because of a patent infringement or some intellectual property and it's a mega lawsuit, which is common in their -- in their industry, they could lien this building, which would have an issue with us as the property owner, if they lost the case or whatever happens. What protections do we have against that?

These are questions that must be asked and must be answered because we have $300 million at risk. And once again, I believe in the incentives. But I don't know if I believe at all costs. And I don't know how I can sit here and say yes to a deal unless I know what that deal is, other than, okay,

we're going to give them a building, and they're going to give 300 jobs, and then they're going to give 600 jobs. And yes, the answer to the question I had, there is a clawback provision, but we haven't negotiated it yet.

I think that's something you ought to know. I think that's something that's important. My understanding is from the question I asked can they refinance the building such that they put $192 million -- our money into the building -- could they refinance it and take out a hundred million dollars. The answer, I'm told, is no. Fair enough. Then they sell the building. The answer once again, I'm told, is no. Fair enough. That gives me a little comfort. What are the protections on it? It must be in the lease.

But what if they lost a building to a foreclosure? What if they went out of business and went bankrupt and it's a bankrupt asset? That trumps everybody. Federal law trumps. Federal law can get rid of leases. There are ways, perhaps not always, what you protect against the most you can protect. Is there going to be a risk in this deal? Absolutely. Do I think to get a business in, the

State, if it wants it that badly and wants a biotech park, which I believe in, should there be an element of risk? Yes, but you do it in a managed risk.

We talked about rushed. Yes, I think it's rushed. Whether the Governor's office was rushed, I can't comment because I don't know how long they negotiated. But for us, as legislators, we've known about it for two weeks. We knew about it the day we sat in the Governor's office, opened the jobs meeting and it was brought up. Oh, by the way, we're going to tell you in a couple more days about some project. I was, like, okay. And then, maybe three or four days later, the Governor had all the leaders in to discuss the project. That was ten days ago, maybe. Maybe, two weeks tops.

For this big a deal, to me, without giving the details, that's rushed. We had public hearings, limited questioning, limited time. I don't think that's airing or vetting out that matter.

Now, as I said, I do understand -- I do understand that we need to move, and some things have to be kept while you're negotiating, but those things are done. An example, it's costing

$1,440,000 for 170,000 square-foot building. That's $850 a square foot. My research tells me it's about double of what it would be in the rest of the country, when you look at building practices -- and you could look this up -- and it is about doubled.

Why? I don't know. There may be a good reason for it. I asked in one of the questions can they build whatever they want to build? And the answer was, no. But what is it that we're going to be able to screen out? Do they get to build something that's like the Taj Mahal? And we've seen that. We've -- we've seen it -- our LOB is a beautiful building, a lot of marble, a lot of stone. Beautiful building. One could argue a little bit too ornate. But can they build something that's a showplace as opposed to research lab? I don't know. But maybe that's why it has a higher dollar figure.

If Jackson Lab is signing the contracts for construction, which is a question I asked, and the answer was, yes, Jackson Lab is signing, the question I have is, what protection do we have if they don't pay the construction, the guy who pours

the concrete, the guy who puts in the wires, because they get a mechanics lien, because this is no longer state property, it is Jackson Lab property. I'm told there will be some protection, not negotiated yet. Well, that does give me pause.

I looked at the bonding that's in this. And when I look at the bonding, there's not enough money to do the building in the first three years. There's not enough money that's bonded. So how does that work? If a construction bill comes in and you don't have the money, where is it coming from?

Now, remember, if it's a private company, the contractor has 90 days to put a mechanics lien or it loses its right and then it must foreclose on that in a year. I don't know how all this works. The answer I got was the estimates came from Jackson Lab, and the cost of the buildings are figured out to year three. Not sure I fully understand that answer, but that was the answer I got. That was the answer I got.

If we don't have architecturals, how do you know what the cost of the building is? If you don't have specification, who said it's worth

170 million -- or 192 million? Who said it was worth that? There's details in here we need to know. And I'm not against making a deal. And I'm not against giving the incentives to get somebody here. But what I am against, the question I pose to myself is, if I was sitting on the board of directors of the bank and a loan officer came up to me and said, here's the deal. We're giving them $192 million, and trust me, we're going to secure it. I'm not telling you how. We're going to protect our money on this construction loan. I'm not telling you how. We haven't negotiated the clawbacks if they default, that's still up in the air. Approve the loan. If it's my money, well, then I probably can sit back and say, you know what, I'll take the risk. It's not my money.

Which begs the question why don't we care and have a real cost estimate on this building? Because it's other people's money. That's what makes this so -- it's other people's money. We are the custodians. We are the protectors of that money. And if someone showed me the specifications and said this is what it should cost, this is what we're putting into it, this is the clawback

provision, then I may say, you know what, okay, we're protected.

I understand the risk is they may not get the 300. They may not get the 600. I also understand the risk they may not get to the millions of dollars they say they're going to get to loan in. I understand those risks, and I can calculate and figure those out, and look at that -- at least out years -- and that's futuristic and no one can give me a crystal ball on some of those -- but you can give me definites. And without those definites, I don't know how you can sit here and say this is a good deal and we have protected the taxpayers.

And as Senator Kissel said, I don't want a no vote to suggest that my view is, one, this is not something the State should pursue. I don't want my no vote to suggest, number two, we should not have our Governor out there -- that's a double negative -- I don't want my no vote to suggest the Governor should be precluded from running out there meeting with people and enticing them to come to the state, because I believe he should. And, I believe, all those people way back when who said our Governor shouldn't meet with developers and

shouldn't meet with prospects because the hint of impropriety, I think is junk.

I think, when your chief officer of your state is meeting with the CEO of a business, that speaks volumes to the commitment that the State has. So I believe he should be out there, and I applaud Governor Malloy for getting out there. However, when you come to us and you're asking us to support a deal, we need to be part of it.

We're about to do the jobs package. The House approved it. It's coming up here. I plan on voting on the affirmative, and I believe a lot of people in this Chamber, on both sides of the aisle, are going to do the same. Think about what we did with that. Governor Malloy called both sides up, all the leaders got together. They worked in working groups with all the caucuses, and we have a jobs bill that one could argue goes a little further, one could argue we could have done different things. But we have a bipartisan jobs bill that everyone worked hard to get and will go out there and sell it to their constituency and to their businesses. That's what the power of bipartisan brings.

So when we have this in front of us, this Jackson Lab, and there hasn't been that dialogue, and there hasn't been that shared issues, then you have to say why not? What is it that we can't look at? What is it that perhaps makes this deal not the gem we think it is?

And until I know, I can't vote yes because I believe that I need to look at my constituents and said -- yes, we did take a small risk. But you know what, it was worth it because this was the up side, this was the downside, and your protected. And until I know that, I don't believe I can vote in the affirmative.

Madam President, I thank you.

THE CHAIR:

Thank you.

Senator Williams.

SENATOR WILLIAMS:

Thank you, Madam President. I rise to support this bold step forward for the State of Connecticut.

You know, Connecticut families are very concerned right now. The men and women of this State look at our economy, look at the economy of

the world, quite frankly, with concern. And they know that leadership is needed. They don't necessarily have all the answers, but they know that they're elected officials need to be challenged to step up and take action and to do it now. Doing it six months from now, six years from now, is not acceptable.

The men and women in Connecticut who are concerned about their jobs, some of whom have lost their jobs, want us to do everything we can to change the equation, to move this state forward and to create the jobs, not only of today and tomorrow, but of five years from now, ten years from now, and the jobs for their children here in the State of Connecticut. And with this legislation, Connecticut is leading and thinking big again.

You know, way back when, the beginnings of this state, we were a world leader. We were part of that first wave of the Industrial Revolution in the 1820s and the 1830s as it was getting started. You know what's interesting about that period of history? In New England, that was around the time that we first saw the concept of public investment for economic purpose and growth.

I've been doing some reading on this recently. We have some towns in Connecticut that when it came time to consider turnpikes and bridges, roads, which up to that time -- talking about the 1820s -- were basically cart paths. And the way you crossed rivers was you found a -- a shallow point in the river and you took your wagon across that. And folks realized that in order to be part of the Industrial Revolution, we had to move forward, not in a way that one person could do, that just one small businessperson could do, but an entire community, a town, a state had to do.

And at the time, quite frankly, there were some towns that said no. Our taxpayers will never approve the improvements to our roads and bridges because we don't want to do that. We don't want to bear that burden and, quite frankly, we don't want to move into the Industrial Revolution. We believe we can be safe with our village economy in our small town.

Those towns were left behind. But when we saw the public investment that was necessary, at that time, to engage in that economic revolution, we, as a state, moved forward. Hundreds of thousands of

jobs over the next hundred years were created, and we were a leader in the national economy and the world economy.

Today, we're in the midst of a new revolution, the revolution of advanced technology. And health care, as has been said, the revolution is in personal medicine in bioscience.

We've got a core already here in the State of Connecticut, in terms of hundreds of companies that are involved in this field. We're right next door to Boston. And we have the synergy with Boston, New York and New Jersey in terms of pharmaceutical research and development, and Boston, with their bioscience, where the State of Massachusetts has invested $1 billion in bioscience and is moving forward aggressively.

We have the opportunity to be part of that, but only if we think big and act on behalf of our citizens now. We already did that earlier this year and it's paid off. When we thought big and we approved the funds necessary to have a world-class University of Connecticut Health Center medical school and research and development facility, we took a giant leap forward. And who knew that it

would pay off in terms of attracting attention of a top facility in bioscience so quickly.

You know, Senator Boucher, my friend, mentioned earlier about her support for the UConn health center. We appreciated that. And actually there were three Republican Senators that did support that. And as a result, we've attracted interest. We have a company now that wants to move hundreds of jobs, create hundreds of jobs here in Connecticut and have a spinoff effect of thousands of jobs.

Governor LePage, up in Maine, when asked why didn't this expansion take place in Maine said Connecticut has moved forward with a billion-dollar investment in its University's Health Center and it's research and development. He essentially said we cannot compete with that. We don't have that infrastructure. We don't have the synergy that Connecticut has with other biotech companies.

And in a Florida newspaper recently, the St. Petersburg Times, on October 18th, where right now in Florida they are wringing their hands and trying to figure out who lost Jackson Labs, that's what's going on in Florida. They're not

congratulating themselves. They are wondering how did we lose Jackson Labs. Why is Connecticut getting the benefit?

At a news conference in Florida, Jackson Labs' CEO singled out Connecticut's decision to invest more than $800 million at the University of Connecticut's center as the key to Jackson's expansion decision in going to Connecticut. We thought big, and we led. And in improving that investment, now we have another remarkable opportunity.

Senator Suzio said earlier that he was questioning the job projections, and I just want to make one thing absolutely clear. And we clarified this with our DECD, our Department of Economic and Development officials. The projection of up to 6,000 total direct and indirect jobs represents only the jobs that will be created by the Jackson development, not all of the bioscience jobs that may be created in Connecticut between now and 2031. I wanted to make that very clear.

Also, Senator Kissel, another friend of mine, thought, you know, I -- I can't support this. I'd like to treat all businesses the same. And at the

same time, he's concerned that the South, the southern states, are eating our lunch economically. Well, in terms of treating all businesses the same, I would say, our future, in terms of economic development, is the same as our future in medicine, and it's personal medicine, and it's defining it very specifically.

There are vast differences between the small businesses, the medium-size businesses, the larger businesses. And in the next bill that we have before us, we'll find that we are providing some incentives for a certain type of company, providing relief to others. We have to have our efforts concentrated with a laser-beam intensity in the right direction, in the right amounts, in order to succeed.

And in terms of the South eating our lunch, well, they don't treat all businesses the same. Alabama spent $253 million in 1993 to bring in Mercedes-Benz. In 2002, they spent $252 million to bring in Hyundai. In Tennessee, they spent over $500 million to bring in Volkswagen. In Georgia, $490 million to bring in KIA. In South Carolina, in 1992, $150 million to bring in BMW. In

Mississippi, in 1993, $363 million to bring in Nissan, all foreign companies incidentally, all in the southern states that are eating our lunch, all in the states that are so often characterized as the low-cost, easy-to-do business states. These states were spending hundreds of millions of dollars to attract these companies.

In Florida, as someone mentioned earlier, the Scripps Institute was given $579 million to locate there. We're talking about a $290 million investment here by the State of Connecticut. I would argue that this is, one, less than the investments that I have just mentioned, and second, that it is far wiser than the investments that I have just mentioned.

With Jackson Labs, we have an investment that is keyed, not to automobiles, not to manufacturing of this sort or that sort, but to the medical field, the healthcare field, the bioscience field. As a previous Senator noted, in that field, we have seen consistent job growth, even in times of recession. As another Senator noted, we are the folks, the baby boomers who are going to ensure that that field continues to grow and that there is

a need for research and development and additional jobs.

This is a far wiser investment than the investments that have been made by those states that are allegedly eating our lunch and spending hundreds of millions, and indeed billions of dollars, doing it.

You know, the research triangle in North Carolina has been talked about a lot and for good reason. It's attracted so many jobs. It's provided North Carolina with stability when their textile industry was in decline and their furniture industry went elsewhere.

Well, I looked into the North Carolina research triangle. And I realized that, you know, this came about in 1954 with some discussions among academics and government officials. And then it came to fruition, at least the beginning of it, in 1955 when the State and their universities moved forward by acquiring land and starting to put together the infrastructure for the North Carolina research triangle. 1955 is when it started off the ground. But when did it take off? Ten years later.

It wasn't until ten years later when the federal government made a $70 million investment, in 1965 dollars, to put in a health and science institute and research facility in the research triangle, a public investment. A public investment like the roads and bridges many years earlier in the Industrial Revolution. A public investment that then led to private investment worth billions of dollars in the time since. IBM came in months later, and the rest is history, in terms of the research triangle and what has happened in North Carolina.

Compare that to our experience here. It was only a few short months ago that we passed the bill that created the world-class UConn Health Center medical school and research and development facility. World-class. Some questioned that investment.

Would we have to wait five years? Would we have to wait ten years before a major tenant came knocking at the door? Here we are today, months later, with a world-class tenant to make Connecticut part of that research corridor of Boston, Connecticut, New York. How fortunate we

are. We thought big. We decided to lead in the last session. That's what we need to do here today.

Finally, I just want to give you a number of statistics because, for too long, we have heard people talk down Connecticut. They talk about how this is not a good state to be, how we don't have the resources that we need. It's time we started lifting up this state and recognizing what we have for too long taken for granted, tremendous resources in so many different areas, a citizenry that is second to none in terms of its training, in terms of its ability and desire to work, and productivity. We have that in the State of Connecticut. It's time for us to recognize that and lift it up.

We are number one in the nation in per capita income. We are second in the nation in terms of research and development per thousand -- hundred thousand dollars worth of sales. We're eighth in the nation in terms of patents. Fifth in the nation in terms of scientists and engineers. Connecticut is third in the nation in terms of the share of adult population with advanced degrees.

We're sixth in the nation in terms of manufacturing value added per production worker. Connecticut is fourth in the nation in per capita gross state product, and we are eighth in the country in per capita exports.

Connecticut has much to offer. We can grow jobs. Our families and our communities are depending on us to lead, to think big. That's what we're doing here today. That's why we should pass this bill.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator.

Will you remark further? Will you remark further?

If not, I'd ask the Clerk to please announce the roll call vote and the machines will be open.

THE CLERK:

An immediate roll call vote has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call vote has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Have all members voted? If all members voted, the machine will be locked.

Mr. Clerk, will you call the tally, please.

THE CLERK:

Madam President, the question is on the adoption of Emergency Certified Bill Number 1401.

Total Number voting	35
Necessary for adoption	18
Those voting Yea	21
Those voting Nay	14
Those absent and not voting	1

THE CHAIR:

The bill has passed.

Senator Daily.

SENATOR DAILY:

Thank you very much, Madam President. There's been a lot of thanks given to the administration and all the DECD people who worked so very hard, and that thanks is well-deserved. But nobody has mentioned Laurie Aronson. And we wouldn't be here now if it weren't for her keen powers of observation.

THE CHAIR:

Thank you.

Senator Looney.

SENATOR LOONEY:

Thank you. Thank you, Madam President.

Madam President, I would move for immediate transmittal of Emergency Certified Senate Bill 1401 to the House of Representatives.

THE CHAIR:

Seeing no objection, so ordered.

SENATOR LOONEY:

Madam President, I believe the Clerk is now in possession of Senate Agenda Number 3 containing business from the House.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Madam President, the Clerk is in possession of Senate Agenda Number 3 for the October Special Session of Wednesday, October 26, 2011.

THE CHAIR:

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, I move all items on Senate Agenda Number 3 for the October Special Session of