

# TMC<sup>3</sup> takes major step toward collaborative biomed facility

By Nancy Sarnoff and Todd Ackerman | April 23, 2018 | Updated: April 24, 2018 10:41 am



Photo: Texas Medical Center/Gensler Architects

The leaders of the Texas Medical Center unveiled plans on Monday for a medical research campus across 30 acres they said would unite four powerhouse research institutions and make Houston an international hub for biomedical innovations.

The project, called TMC<sup>3</sup>, will be a collaboration between the TMC, Baylor College of Medicine, Texas A&M University Health Science Center, University of Texas Health Science Center at Houston and University of Texas MD Anderson Cancer Center.

The project marks the first time the founding institutions would build and share space on this scale in the Medical Center, officials said during an event announcing new details about the ambitious health care and real estate project. TMC leaders said it could open as early as 2022 and touted a multibillion-dollar economic impact. The 3 in TMC<sup>3</sup> is to identify Houston as the "Third Coast" for life sciences.

"In the 70 plus years in Texas Medical Center history, this will be one of the most transformational initiatives we've ever taken," TMC President and CEO William McKeon said from a stage he shared with Gov. Greg Abbott, Mayor Sylvester Turner, Harris County Judge Ed Emmett and leaders of the institutions that have signed on to the project. "Decades from now, we're going to look back at this historic event and really understand how much it changed the way in which we behave and compete in the world."

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The project's centerpiece will be a \$246 million multistory building resembling a double helix, a nod to the scientific description of a strand of DNA. The shared facility will include laboratories, plazas, restaurants, shops and other commercial space.

The double helix will span nearly the entire length of the 30 acres between Brays Bayou and Old Spanish Trail. It will be capped with an elevated park with gardens and trails designed by New York's High Line landscape architect James Corner.

The park will be open to the public. Maureen and Jim Hackett, former CEO of Anadarko Petroleum Corp., plan to launch a \$60 million philanthropic campaign to fund the park.

Beneath this park, researchers will pioneer advancements in therapeutics, medical devices, regenerative medicine, genomics and data science, among other areas. Officials said that over time each institution will have its own separate building and that private industry will also set up facilities there.

The Medical Center owns the land, which is now being used for parking. It is providing \$40 million for the project. The other four founding institutions each will contribute \$36.45 million.

The public launch of the project came despite unanswered questions about its funding and governance.

UT System regents conditionally approved the participation of MD Anderson and UTHealth. Their concerns included that the hiring of an experienced CEO — not currently an employee of any of the parties — to manage the research enterprise, and additional funding from some other entity, such the state of Texas or city of Houston.

McKeon said it will be up to the participating institutions to determine whether they want an independent CEO and Abbott said the only state money for the project is that being contributed by the institutions. The two UT institutions are using money from the Permanent University Fund and A&M is using a combination of PUF money and other revenue streams.

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Nevertheless, UT System Chancellor William McRaven said after the news conference that he is confident the project will meet all of the conditions outlined by the regents.

TMC leaders have been developing plans for a life science research campus since 2014 to help boost the Texas Medical Center's innovation and commercialization.

The earliest discussions included developing a collaborative institute such as Boston's Broad Institute, a collaboration between Harvard and MIT, or the New York Genome Center.

Driving discussions was the realization that pharmaceutical and medical device companies are moving their scientists closer to hospital researchers. Yet, the TMC's decades-old covenants restricting commercial industry limited its growth.

"The world was evolving so quickly that we were at a strategic disadvantage," McKeon said. "Four of our institutional leaders came to our board of directors and said, 'We need you to change covenants you've had for 70-plus years.'"

The restrictions were lifted on two parcels: the former Nabisco building that houses the TMC Innovation Institute for startups and the 30 acres where TMC<sup>3</sup> will be developed.

In addition to the Helix building, Los Angeles-based Majestic Realty will finance and build a 19-story hotel with 410 rooms and 50,000 square feet of conference space.

Gov. Abbott said the TMC<sup>3</sup> project will give Houston a more thriving biotechnology sector where new scientific breakthroughs lead to commercialization.

"After the ground is broken on this project, after the construction is completed, after the beginning years of this, TMC<sup>3</sup> will for a while be competing with the best of the best around the United States and perhaps globe. And then eventually TMC<sup>3</sup> will attain its rightful position of being the number one biotechnology and bioscience innovation center in the entire world," Abbott said. "We can do it because we are Texas and Texas always achieves the very best."

During the press conference, McRaven said there's still plenty of work ahead.

"It wasn't all hugs and kumbaya and everything was great," he said. "This was not easy and will not be easy going forward."

One of the regents' conditions addresses the current financial challenges at UTHealth and the recent recovery of MD Anderson.

MD Anderson last year eliminated more than 1,000 positions, and while UTHealth has not made widespread layoffs officials acknowledge they've been financially affected by declining insurance reimbursements and costs related to Hurricane Harvey. Regents want the state to provide some funding.

The research facility will have a shared form of governance with each institution representing one vote.

TMC officials expect construction on the Helix building to start next year. A request for proposals will be released to secure development and design firms.

A late 2017 economic impact study by Silverlode Consulting cited estimated annual impact of the project is \$5.2 billion. The TMC cited the report but said it would not releasing the study publicly.

McKeon said he anticipates other Texas Medical Center institutions will join the project in time. He said other TMC institutions were invited to be founding institutions, but didn't have the need for such space at the moment.

The University of Houston, for instance, said it is too early to think about locations related to its planned medical school. UH's board last fall approved the pursuit of a medical school, but there are numerous hurdles, such as the approval of an accrediting body, the Higher Education Coordinating Board and the Texas Legislature.

Dr. Marc Boom, president of Houston Methodist, said the research park doesn't fit his hospital system's strategic research focus, which prioritizes putting researchers close to clinicians and patients."

But Boom added that Methodist supports the effort and said its possible it could partner with TMC<sup>3</sup> in the future through its partnership with Texas A&M.

The two institutions are collaborating on a specialized engineering medicine program.

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