

Worcester, Massachusetts, February 12, 2012 – Small laboratories. Compact desks. A Massachusetts Biomedical Initiatives sign.

If it sounds familiar, it should. The newest business incubator opened by MBI at 55 Union St. draws strongly on the format the nonprofit economic development organization has established at other facilities, in which it provides space for startup life sciences companies.

There's little room for the extraneous. MBI provides affordable laboratories, closet-sized offices and some shared equipment, and that is just what's needed, according to Kevin O'Sullivan, MBI president and chief executive.

“We're always trying to meet demand, and we're trying to be prudent about cost,” Mr. O'Sullivan said.

Founded in 1984 as the Massachusetts Biotechnology Research Institute, MBI now controls about 30,000 square feet containing 35 labs, and operates a \$1.4 million annual budget. In addition to the new space at 55 Union St., MBI has incubators at a Worcester Polytechnic Institute building at Gateway Park off Prescott Street and in a building on Barber Avenue.

MBI collects rent and sometimes owns stock in the budding companies that it houses. Entrepreneurs seeking space need a business plan and a financing plan to get in.

In return, MBI provides specialized space and sometimes equipment. Some entrepreneurs take laboratories as tiny as 200 square feet.

If entrepreneurs succeed, they can end up displacing MBI. The organization let its lease expire at the end of 2011 on about 8,000 square feet it had been using as an incubator in the Massachusetts Biotechnology Research Park off Plantation Street. Yet, small companies that MBI had been housing there stayed on.

The newest MBI incubator takes up about 10,000 square feet on the first floor of 55 Union St., a brick building connected to 57 Union St. Together the buildings contain about 133,000 square feet. G.A. Donovan Management Co. of South Boston bought both buildings in September 2008 for a combined \$9.1 million.

Charles River Laboratories International Inc., a Wilmington company that performs medical research for drug developers, previously occupied the buildings and owned 55 Union St. When it moved operations to Shrewsbury — operations that were later shut down — it left behind robust and specialized ventilation and plumbing systems needed for chemical research and preclinical testing.

The building was “over-engineered,” containing space that would have been expensive to construct, according to Walter J. Lunsman, chief operating officer of Vivopath LLC, a privately held contract research organization and former MBI tenant that now occupies one floor in the building.

“If we were going to get a warehouse and build (similar space) room by room, it would cost \$300 a square foot,” Mr. Lunsmann said.

For Worcester, the space offers an opportunity to build up biotechnology laboratory capacity in the city, said Timothy J. McGourthy, chief development officer for the city of Worcester.

“MBI’s expansion into that space is a great indicator for the potential of the growth of the biotech community in Worcester,” Mr. McGourthy said.

MBI found its way into 55 Union St. because one of its former tenants, Nemucore Medical Innovations Inc., was renting 22,000 square feet there, but did not need all of it. MBI agreed to rent part of the space from Nemucore, a privately held developer of nanomedicines for drug-resistant cancers.

MBI spent about \$250,000 building out its space, and expects to house five small companies, Mr. O’Sullivan said. Matrigen LLC operates in one small corner of the incubator; its five employees produce hydrogels designed to serve as a soft, tissue-like base for culturing cells.

“We don’t need anything fancy,” Matrigen founder and president Justin Mih said of the space. “We just need the ability to do it. That’s what we have.”

