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October 6, 2005

The Honorable Tim Pawlenty
Office of the Governor
130 State Capital
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Dear Governor Pawlenty:

Attached is an update on the Minnesota Partnership for Biotechnology and Medical Genomics and an overview of Partnership expenditures to date as required by Minnesota statute.

The research progress we have made as a result of initial seed money appropriated in 2003 has exceeded our expectations. Four University of Minnesota-Mayo Clinic teams have been working on important research involving prostate cancer, Alzheimer's disease, obesity and heart disease – issues affecting thousands of Minnesotans. The results of our initial dollars demonstrate the potential of the Partnership given our goal of full funding:

- 5 research papers published
- 1 patent application
- 2 external grant applications
- Expanded genomic testing
- Early integration with industry
- Opened joint University of Minnesota/Mayo Clinic Office of Business Development
- Expanded University of Minnesota/Mayo Clinic collaborations
- Leveraged industry and philanthropic support, with gifts from Medica (\$5 million) and to the Mayo Clinic for the Johnson Family Center for Genomics of Addiction (\$12 million)
- Visited Minnesota Congressional delegation to explore federal funding opportunities.

With the \$21.7 million in bonding dollars we received this biennium, we started construction on the new addition to the Stabile Building in Rochester. The facility will provide new opportunities to grow our joint research capabilities, fostering further collaboration and creativity when occupied in October 2006.

Additionally, the state's first installment of \$15 million toward our goal of \$70 million over 5 years enables us to target \$9 million to fund new collaborative research projects and \$6 million for research infrastructure investments. Once again, we have seen a very strong response to request for research applications, and expect another round of important research projects to be awarded by February.

We are very excited about our progress to date and the potential impact of this unique Partnership. We will continue to leverage your state investment to improve the health and economy of Minnesota. If you would like more information about the Partnership, please do not hesitate to contact us or our legislative staff, Marty McDonough at 612.626.7372 or Frank Iossi at 507.284.7230. Thank you.

Sincerely,

Frank B. Cerra, M.D. Senior Vice President for Health Sciences, University of Minnesota Hugh Smith, M.D. Chair, Mayo Clinic Board of Governors

Enclosure

Cc: Com

Commissioner of Finance, Peggy Ingison

Commissioner of Employment and Economic Development, Matt Kramer

Minnesota Partnership for Biotechnology and Medical Genomics

Final Report, August 31, 2005

| Primary Investigators | Title | Year 1 Budget | Expenditures (through 8/31/05) | Year 2 Budget | Expenditures (through 10/26/05) | Total Allocation |
|--|---|------------------|------------------------------------|------------------|---------------------------------|---------------------|
| Dr. Lerman & Dr. Hebbel U of M: 1929-636-7542 MMC: 5526709900-3X1013 MMC: 5526729900-3X1014 | Endothelial Genomics & Phenotype in Early Atherosclerosis | \$632,536 | \$246,819 \$149,440 \$80,229 | \$632,538 | \$57,633 \$6,705 \$13,259 | \$1,265,074 |
| MMC: 5571319900-3X1015 MMC: 5526829900-3X1016 | • | | \$48,583 \$107,465 | | \$16,106 \$1,046 | |
| Dr. Klee & Dr. Connelly U of M: 1929-635-6785 MMC: 6083419900-3X1011 | Prostate Cancer | \$468,021 | \$67,136 \$364,877 | \$447,179 | \$26,786 \$84,268 | \$915,200 |
| | Proteomic Design of Peptide Based | | | | | |
| Dr. Poduslo & Dr. Garwood U of M: 1929-646-6218 MMC: 5040419900-3X1010 | Probes | \$464,001 | \$157,968 \$306,033 | \$414,708 | \$26,731 \$20,747 | \$878,709 |
| Dr. Kotz & Dr. Levine U of M: 1742-398-6124 U of M: 1865-398-3021 | Non-Volitional Activity in Obesity Resistance: Role of the Brain | \$390,000 | \$106,990 \$53,495 | \$390,000 | \$28,042 \$7,110 | \$780,000 |
| U of M: 1198-398-3020 MMC: 5531339900-3X1012 | | | \$53,495 \$176,020 | | \$7,154 \$29,762 | |
| Dr. Miller & Dr. Pittelkow U of M: 1198-636-2893 | Cell Line Qualification | \$20,000 | \$20,000 | | | \$20,000 |
| Dr. Behrens & Dr. Reed U of M: 1865-636-3770 | Peripheral blood cell microarrays | \$20,000 | \$20,000 | | | \$20,000 |
| Dr. Truhlar & Dr. Pang U of M: 1742-519-6989 | Dimeric BAFF Inhibitors | \$20,000 | \$20,000 | | | \$20,000 |
| Dr. Johnson & Dr. Kaufman U fo M: 1742-658-6093 | Breast Cancer | \$20,000 | \$20,000 | | | \$20,000 |
| Incidental Expenses U of M: 1198-904-1000 U of M: 1865-904-1001 | | \$50,000 | \$39,059 \$28,912 | \$50,000 | \$7,078 \$6,278 | \$100,000 |
| Total | | \$2,084,558 | \$2,066,521 | \$1,934,425 | \$338,705 | \$4,018,983 |