

# Everything you need to know about biotech — on five floors in Cambridge

By [Scott Kirsner](#)

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If you live in the Boston area, you've no doubt driven past the Riverside Technology Center hundreds of times. An unassuming, brown brick building, it sits on the banks of the Charles River in Cambridge, across from Genzyme's castle-like manufacturing plant.

Every tenant of the five-story building, it turns out, is a biotech company, and riding the elevators to visit the occupants, as I did last week, offers a good feel for the high-risk, capital-intensive, painstakingly slow, and scientifically dazzling life sciences industry. For these companies, it isn't unusual to talk about needing \$100 million or more to get a new drug within spitting distance of Food and Drug Administration approval, at which point it can be prescribed by doctors.

And while the teams of 20 or 30 employees at each company may devote a decade or more to developing new treatments for conditions like cancer, autism, or sickle cell anemia, they do it knowing that a tiny ripple of bad data received after testing in humans could undercut investors' confidence, and lead to the company's swift demise.

Still, behind every glass door at the Riverside Center, the hope is that they might not only be creating a drug that will change lives, but also laying the foundation for the next [Genzyme Corp.](#) (recently acquired for \$20 billion) or [Vertex Pharmaceuticals Inc.](#) (a Cambridge company with a market value of \$10 billion).

"The timelines and the gestation period are just different from anything else," says Nick Leschly, a former venture capitalist who is now chief executive of Bluebird Bio Inc., developing gene therapy treatments for rare diseases. "This probably isn't the quickest way to riches or stardom. There is no Facebook in life sciences."

Leschly mentions that he fielded a phone call earlier in the day from a father eager to get his son into one of Bluebird's clinical trials.

"Part of what motivates us is that what you're doing is important," he says.

Bluebird is a 30-person company trying to succeed in a field littered with failure: Despite two decades of research at [Genzyme](#), and intense efforts by dozens of start-ups, the FDA has yet to approve a single gene therapy treatment. In Bluebird's case, gene therapy involves extracting

stem cells from a patient's bone marrow, inserting a normal version of the gene that is causing the disease into the stem cells, letting them replicate in a dish, and then re-injecting the healthy cells into the patient.

Like Genzyme before it, Bluebird is starting small: It published research last year showing how one patient with a blood disorder called beta-thalassemia had been able to forgo his normal monthly blood transfusions and go back to his job as a chef after being treated with Bluebird's gene therapy.

The company got its start in 1991, and has raised about \$75 million, some of it from the investment arm of Genzyme. Still, Leschly says the company will spend the next few years testing its therapy in more patients and collecting data to present to the FDA.

One floor up is Cerulean Pharma Inc. The company is developing what chief executive Oliver Fetzer calls "the ultimate Trojan horse," a nano-particle designed to hold potent drugs, find its way to tumors, and release the drug over time. Fetzer estimates Cerulean's drug could be as much as 20 times better than current cancer drugs in reaching tumors without being absorbed by healthy tissue along the way (a major cause of drug side effects). But, he acknowledges, science can hold surprises, and Cerulean has already abandoned a more complicated, difficult-to-produce version of its nano-particle.

Epizyme Inc., also focused on cancer drugs, is employing new insights into the way disease-causing genes are turned on and off by mechanisms other than DNA. Its chief executive, Robert Gould, spent more than 20 years at the pharmaceutical giant [Merck](#) & Co.

Unlike most of its neighbors, Seaside Therapeutics Inc. hasn't raised millions in venture capital. Instead, it has relied on grants from the National Institutes of Health, funding from patient advocacy groups, and donations from philanthropists. In developing drugs that could help patients with autism and the related Fragile X syndrome, Seaside hopes to outmaneuver much bigger players like [Novartis](#) and [Roche](#).

The building doesn't feel anything like a biotech frat house. But there's a good deal of interaction among the tenants. One of the Seaside founders, Kazumi Shiosaki, was also a founder and temporary chief executive of Epizyme. When one of the building's tenants planned layoffs, the company passed resumes along to another firm, Aileron Therapeutics, which hired one of the scientists. (Aileron moved out of the Riverside Center in October.) Aileron chief executive Joseph Yanchik also recalls some high-quality networking with an executive from a major pharmaceutical company during a fire drill at the building.

The building's owner, Abbey Group of Boston, purchased it in the late 1980s. During the recession, occupancy dropped to about 50 percent, says Abbey Group managing partner Bob Epstein. But in 2011, he says, "we're probably 70 or 75 percent rented."

One hazard of renting to biotechs is they sometimes get acquired by large pharmaceutical companies that move their operations elsewhere. (The bigger companies are hungry for new products as patents expire on their older drugs.)

That's exactly what is happening with Alnara Pharmaceuticals, a company developing enzyme replacement therapy to help people suffering from chronic pancreatitis and cystic fibrosis. Last summer, Alnara was acquired by Indianapolis-based [Eli Lilly](#) & Co for \$180 million, with the possibility of another \$200 million should the drug win approval and do well in the marketplace.

In January, however, an FDA advisory panel rejected the drug, contending the company hadn't proved it works well enough. That may force Lilly to conduct more trials and collect more data.

Only a few of Alnara's 25 full-time employees will stay with Lily and move to Indianapolis when Alnara vacates the center at the end of the month, said Robert Gallotto, Alnara's chief business officer. "Many of the folks here are local, Cambridge-based folks," he says, "and they're used to more of a small company environment."

Could some of them end up finding jobs elsewhere in the building? "Sure," Gallotto says. "I could definitely see that happening."

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