



NORTH BAY GROUPS COLLABORATING ON BUILDING BIOTECH SECTOR

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NORTH SAN FRANCISCO BAY AREA: SONOMA, NAPA, AND MARIN COUNTIES

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Biomedical business have been proliferating in Marin County – Novato, in particular – for the past decade, significantly boosting the local economy, and growth is something business boosters from around the North Bay are actively trying to replicate, according to a new report.

By extension, the greater North Bay – Sonoma, Solano and Napa counties – stands to benefit from Marin's recent success in maintaining a cluster of biotech that brings with it a highly educated workforce and high wage earners, according to a 48-page report "Life Sciences Industry Characteristics, Economic Impacts and Possibilities" by the Marin Economic Forum for the city of Novato. Drawing on what's happening in Marin, economic development agencies and life sciences officials across the North Bay are collaborating to draw more biotechnology companies to the region, spurred by recent efforts from the city of Novato and the study by the Marin Economic Forum that found Marin County's economy has benefited significantly from the industry. That has led to the formation of the North Bay Bio/Life Science Alliance, according to the report.

The newly formed alliance recently received \$325,000 in contributions from The Buck Institute and city of Novato, and that will support a three-year, \$1.5 million branding, marketing and recruitment campaign, the report said. Chicago-based marketing firm Chempetitive was selected to lead the campaign, which is set to begin by the end of this quarter and produce a draft branding plan by June.

**DOES THE NORTH BAY HAVE
THE POTENTIAL TO HAVE A
BIOTECHNOLOGY CLUSTER?**

Yes (62%)



No (30%)



Don't know (8%)



POLLING PERIOD:

March 12, 2014 @ 2:00 pm –
March 19, 2014 @ 2:00 pm

200-plus Marin life sciences companies

That sector in Marin has grown to 1,700 employees and wages of about \$248 million in 2012, according to the report. Home to more than 200 life sciences businesses, the 255,000-resident county has more such companies per capita than any other California county, the study found.

The study was presented by the city of Novato, The Buck Institute and Novato Chamber of Commerce to about 120 economic development, business and biotech leaders on Feb. 27. The report found that the cluster of life science companies has steadily increased since 2001, when there were just 727 positions, driven largely by expansions of The Buck Institute and BioMarin Pharmaceutical Inc., easily the county's biggest biotech employer, which had \$500 million in 2012 product revenue.

The bulk of biotech employees are in San Rafael and Novato, with 700 and 900, respectively, according to the study. BioMarin is based in San Rafael but has a large production plant in Novato. BioMarin spinoffs Raptor Pharmaceutical and Ultragenyx Pharmaceutical as well as The Buck Institute are all in Novato.

But while those institutions account for a large share of Marin's biotech workforce, the sector is predominantly made up of smaller companies. Ninety-four percent of all local biotech companies have fewer than 25 employees, the study said.

Biotech workers are an attractive demographic, often highly educated and well-compensated. In Marin County, for example, the average annual wage for the industry was about \$60,500 at medical labs to \$198,000 for pharmaceutical research staff, according to the study.

North Bay Bio/Life Science Alliance

In early 2013, the city of Novato and economic development officials from four North Bay counties – Marin Economic Forum, Sonoma County BEST, Napa Chamber of Commerce and the Solano County Economic Development Corporation – discussed potential benefits of jointly marketing the region to biotech and biomedical companies.

Subsequently, numerous potential stakeholders were brought into the discussion. Among them were Sonoma State University, University of California at Davis, College of Marin, U.S. Department of Commerce and a number of North Bay cities. Also part of the mix were established businesses and institutions.

"By joining forces the North Bay leaders recognized that the four-county area offered bio/life companies a full range of supply-chain services from research and development at The Buck Institute, BioMarin and UC Davis, to manufacturing facilities like Genentech in Solano County and a machine equipment supplier, Biosearch Technologies in Petaluma," the report said.

The North Bay as a whole has a significant cluster of biomedical and biotech companies. Sonoma County, though, has a higher concentration of medical-device makers such as a large presence by Medtronic, but Marin is unique in several respects, according to the study. For one, Novato is home to The Buck Institute, "where grant and foundation funding share risk," the study said.

LIFE SCIENCES EMPLOYMENT

Year	Bay Area	Marin	Napa	Solano	Sonoma
2001	112,651	727	257	1,462	11,025
2002	105,755	796	164	136	8,748
2003	101,021	836	452	1,628	7,072
2004	95,306	869	177	1,836	6,789
2005	93,191	922	306	2,007	5,397
2006	92,667	1,020	314	2,076	4,925
2007	77,725	977	173	2,288	4,316
2008	102,230	1,077	236	2,188	4,659
2009	95,545	1,157	287	2,151	4,196
2010	95,305	1,343	312	2,313	3,797
2011	96,638	1,456	334	1,984	4,173
2012	110,809	1,590	131	2,922	4,054
2013*	110,337	1,703	131	2,926	4,047

Source: California Employment Development Department.

*Data through the first quarter of 2013.

"The normal chain of financing is that local research draws in grant funding to finance the initial R&D toward product development and not rely solely on venture or loan funding to move research from idea to marketplace," the study said. The Buck also "acts like a university-like environment for scientists in new firms, a unique asset that Marin County holds that other counties in the Alliance do not have," the study said.

A committee overseeing the branding campaign and the alliance includes Cynthia Murray, CEO of North Bay Leadership Council; Carolyn Stark, CEO of Sonoma County BEST; Sandy Person, CEO of Solano Economic Development Corp.; Rob Eyler, Marin Economic Forum; Mark Wood, former BioMarin senior vice president of human resources and corporate affairs; Travis Miller, BayBio director of communications; and Christopher Stewart, Novato economic development manager.

Challenges to growth in Marin

Yet there are challenges in Marin, making the regional North Bay effort all the more important, according to the study. Marin has a much smaller share of needed industrial commercial real estate than the greater Bay Area, particularly the East Bay and the South Bay and potentially parts of the Central Valley.

"Demand for space, created by marketing and business attraction through the North Bay Bio/Life Science Alliance, may convert currently used space to life-science occupancy because these firms pay larger rents than current occupants," the report said. The North Bay Alliance said it recognized that industries companies in San Francisco and the broader Bay Area "are increasingly being forced to look for new, more affordable locations with the growth of the high-tech companies and increased competition for labor and space." It also notes that many of the large Bay Area companies "are completely unaware of the breadth and depth" of such companies and institutions across the North Bay.



THE CITY OF
NOVATO
CALIFORNIA

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