

Biotech startups find ‘relatively’ affordable home amid Tri-Valley job boom

Catherine Ho, Sep. 20, 2018 Updated: Sep. 20, 2018 4:17 p.m. San Francisco Chronicle



Serge Saxonov, CEO and co-founder, and Ben Hindson, chief scientific officer, president and co-founder of 10x Genomics, which makes technology for research labs and drug companies, pose in their lab’s lobby in Pleasanton.



Marisa Victor in the formulations lab at 10x Genomics, which makes technology for research labs and pharma companies that develop drugs. The firm’s CEO says suburban Pleasanton is the “sweet spot.”

When Serge Saxonov, co-founder and CEO of 10x Genomics — a 6-year-old company that makes technology for research labs and drug companies — began thinking last year about Bay Area sites to open a second manufacturing facility, the answer was easy.

The company’s corporate headquarters are in Pleasanton, and Saxonov wanted to keep manufacturing operations nearby. So he opted to upgrade to a larger space in the city, quadrupling the company’s real estate presence to 200,000 square feet. The move is expected to add nearly 200 jobs and be completed by summer 2019.

“Pleasanton is the sweet spot where you get the talent from all across the Bay Area and rents aren’t quite as expensive as San Francisco or the Peninsula,” Saxonov said.

The East Bay has long been home to established life sciences and medical diagnostics companies like Roche Molecular, Bio-Rad Labs and IntegenX (now owned by Thermo Fisher). Lately, the region — though it doesn't have the biotech cachet of South San Francisco or the newness of San Francisco's Mission Bay — has also been drawing smaller, newer and fast-growing firms that make critical hardware, software and technology used by biotech companies.

Biotech's pleasant expansion

10x Genomics, Gritstone Oncology and Unchained Labs are among the life sciences and biotech companies that have recently added office or manufacturing space in Pleasanton.



Source: maps4news.com/©HERE

The privately held 10x reported \$71 million in revenue in 2017 — a 150 percent increase compared with the previous year, Saxonov said.

Though 10x will keep its current Germany manufacturing plant to make some components, the Pleasanton site will be the first to make the company's products end to end. It will give executives more control over the manufacturing process and access to the region's specialized labor force — professionals with backgrounds in chemistry, biology, hardware and software.

In addition to 10x's expansion, Gritstone Oncology, the 3-year-old immunotherapy startup that is gearing up for an initial public offering, also chose Pleasanton to construct a manufacturing plant that opened late last year. Pleasanton's Unchained Labs, founded in 2015, recently grew its manufacturing space by 30 percent in the city, where it makes tools and lab equipment used by biotech and pharmaceutical companies to develop drugs.

“We chose Pleasanton because I’ve been in life sciences for more than 20 years, and the whole time I was doing the crazy commute to the valley (Sunnyvale and Santa Clara),” said Tim Harkness, founder and CEO of Unchained Labs, who lives in Pleasanton. “I wanted to stop that craziness, and I didn’t think I was alone.”

He wasn’t. **From 2006 to 2016, the Tri-Valley cities of Pleasanton, Danville, Dublin, Livermore and San Ramon had job growth of 35 percent** — more than San Francisco’s 31 percent and Silicon Valley’s 19 percent. **And many of the jobs are in the life sciences** at companies like Unchained Labs, which has 190 employees and annual revenue of \$50 million.

“If you’re looking at Tri-Valley life sciences companies, a lot have sprouted up the last five years,” Harkness said. “We have great communities and schools out here and a much lower cost of living, relatively, in the Bay Area.”

It was risky to base the company in Pleasanton three years ago, said Harkness, who is also a founding partner at Tri-Valley Ventures, a venture fund created last year to back early-stage technology, IT and life sciences firms. But it turned out to be a competitive advantage, he said, because the location made it easier to recruit employees from Tracy and the Central Valley, where many Bay Area residents are seeking more affordable housing.

Office space in the Tri-Valley goes for \$32 per square foot — about half as expensive as San Francisco’s \$74 per square foot and about 40 percent cheaper than Silicon Valley’s \$52 per square foot, according to a recent report by the Bay Area Council Economic Institute and Innovation Tri-Valley Leadership Group.

Pleasanton city officials say they do not offer biotech companies tax or other financial incentives but can expedite the review of companies’ building and land use permits, which can speed up construction.

“My interest is creating an environment that allows all kinds of businesses, but especially biotech and biomedical, to be successful,” said Pamela Ott, Pleasanton’s economic development director.

<https://www.sfchronicle.com/business/article/Biotech-startups-find-relatively-affordable-13243005.php>