



**ECONOMIC VITALITY COMMITTEE
MEETING MINUTES**

June 17, 2021

7:30 a.m.

Via Zoom – Recording Link

https://cityofpleasanton.zoom.us/rec/share/PQPhln1r4yg0-11cb0FxWldpuTQVNRXUWg0OzwardGpj3_pSZBvj5DzDMqdEGot.pAW_zFccKx-DWRSj

Passcode: \$\$Du5CC4

CALL TO ORDER/PLEDGE OF ALLEGIANCE

Meeting called to order at 7:32 a.m. by EVC Chair Steve Van Dorn followed by the Pledge of Allegiance.

ROLL CALL

Present: Vice Mayor Julie Testa, Steve Van Dorn, Daniel Watson, Brian Wilson, Ellen Pensky McGraw, Harsh Gohil, Zac Grant, Tiffany Cadrette, Michael Li, Roderick O’Brian, Shareef Mahdavi, Steve Baker, Steve McCoy-Thompson, Tracy Farhad, Reena Gupta and Will Doerlich. Kelly Mokashi joined the meeting after roll was taken.

Absent: Jeff Chen and Sylvia Tian

City staff: Economic Development Manager Lisa Adamos, Deputy City Manager Pamela Ott and Economic Development Office Assistant Cailin Gavagan

AGENDA AMENDMENTS

No agenda amendments were made.

CONSENT CALENDAR

The May 20, 2021, meeting minutes were approved as presented on motion by Steve Baker and second by Will Doerlich by a vote of 16-0-0.

PUBLIC COMMENT

There was no public comment.

PUBLIC HEARINGS AND OTHER MATTERS

City Council Liaison Report

Vice Mayor Julie Testa provided the following City Council updates:

- At its June 15 meeting, the City Council

- approved Operating Budget budget for FY 2021/22 - FY2022/23, and a Capital Improvement Program budget for FY 2021/22 – FY 2024/25
- approved 10x Genomics project to build a headquarters campus at the former Pleasanton Plaza site (at 1701 Springdale Avenue) the company recently acquired
- approved the exploration of options to mitigate PFAS in our water system

Deputy City Manager Pamela Ott referred members to the City Council Agenda Report from the June 15 meeting to learn more details about the 10x Genomics project.

Discussion Regarding Expanding Pleasanton’s Life Sciences Sector

Ms. Ott noted that life sciences is a growing and exciting economic development strategy for Pleasanton as included in the FY22-FY23 City Council Priorities Work Plan. Ms. Ott referenced the questions on the agenda to prompt discussion after the presentations.

Ms. Ott introduced Andy Blidy, Brandon Cardwell and EVC member Brian Wilson who shared information and perspectives on the expansion of Pleasanton’s life sciences sector:

Andy Blidy, a clinical immunologist and molecular biologist as well as CEO of a startup – Saltus Biotech – provided insight from the practitioner standpoint on growing the life sciences sector in Pleasanton:

- Mr. Blidy suggested that the mission is to brand Pleasanton as a biotech hub by considering the following activities:
 - Support Biotech companies in Pleasanton
 - Investigate bio-incubators to facilitate and assist the creation, growth, and success of the next generation of biotech, pharma, life science and medical device companies.
 - Work to educate the community of the great biotech resources in town (i.e., re-start molecular biology courses/PCR technique in Pleasanton high schools)
- Mr. Blidy offered his perspective on why we should expand Biotech in Pleasanton:
 - Fosters creative exchanges and active collaborations
 - Provides services and amenities to improve business performance and efficiency
 - Facilitates access to experts for mentoring
 - Organizes training and interactions with prospective investors
 - Supports the need for seminars and workshops to expand knowledge and ensure the acquisition of new skills

Brandon Cardwell, Executive Director of i-Gate Innovation Hub and Daybreak Labs provided an overview from the entrepreneurial/science-based startup standpoint:

- Daybreak Labs is the Tri-Valley’s only incubator for life sciences and deep tech startups. Daybreak Labs has supported 35 companies throughout their history, hosted other individual innovators, raised over \$150 million dollars in venture capital, and directly created 235 jobs.
- Daybreak Labs is currently working to secure a new facility exclusively dedicated to life sciences and deep tech startups. They are also launching a new residency model in partnership with Tri-Valley Ventures to provide selected startups with capital, facilities, services, and expertise in exchange for equity.
- i-Gate Innovation Hub also started *Startup Tri-Valley*, a branding and ecosystem support initiative to make the Tri-Valley the go-to destination for science-based startups.

- Some advantages that Pleasanton can capitalize on is that it is less expensive to operate a business in Pleasanton (as compared to other parts of the Bay Area) and there is more of a physical footprint in terms of industrial space for life science companies like 10X Genomics, Unchained Labs, and others who are making physical products that have the biological innovation inside.
- i-GATE recently launched a new web branding platform called startuptrivalley.org, to amplify the message that startup biotech companies are on the rise in the Tri-Valley and offer a space to help them.
- Additionally, *Startup Tri-Valley* hosts various events each year that are focused on sharing the stories of the regional bioeconomy, such as NextTech Speaker Series and the Tri-Valley Life Science Summit.

EVC member Brian Wilson provided his expertise in commercial real estate in Pleasanton and how the environment fosters an ability to attract and retain life sciences companies, noting some examples:

- The Tri-Valley roughly has an 8% vacancy in lab space.
- 10x Genomics recently acquired Pleasanton Plaza to build a headquarters campus to include R&D and lab space. Additionally, 10X leased out another building in Pleasanton Commons to accommodate its growth.
- Carl Zeiss was approved to build space in Dublin, and was recently acquired.
- Bio-Rad purchased two adjacent buildings in Pleasanton
- Pleasanton has a blend of long-standing, established companies such as Roche Molecular and Abbott, as well as younger, homegrown life sciences companies such as 10x Genomics, Unchained Labs, etc.
- Mr. Wilson shared one challenge that Pleasanton faces, particularly for expansion and migration into the market, which is the lack of available blocks of lab space coupled with the high expense to build out lab space.
 - Building more labs is difficult due to the conversion of existing infrastructure to labs. This was popular before the pandemic, but now with the rise of construction costs, it makes it more expensive to do so. One way to remedy this situation is to increase the rental rate of life sciences facilities to cover the cost of building out lab space.

EVC member questions and comments included:

- What do you see as the City's role for next steps?
 - How to assist post-incubation: setting up the critical path components for companies as they try to spin out from the incubator setting to seamlessly transition into existing spaces in this region
 - Figuring out the best way to get landlords involved and educated about the value of life science facility investments and potentially bring new landlords and developers to the table.
 - Brand the Tri-Valley as a biotech hub and inform the community and the rest of the Bay Area of the resources available here.
- How influential is the presence of companies like Roche, Thermo Fisher, etc. in attracting companies to relocated in Pleasanton and to what degree can we leverage their presence and get them involved in the messaging to other companies that this is a great place to do business?
 - These companies are talent magnets and help bring people to the region.

- The people who work at those institutions may observe some unsolved problem and then start their own companies to address the problem; sometimes the companies become successful and profitable, such as 10x Genomics.
- Are there aspects that we need to look at protecting and preserving when it comes to mixed use zoning so that we can continue to grow as a biotech hub?
 - Mr. Wilson responded that he does not think there is a hindrance to have mixed uses around lab, R&D or even production facilities. It's important to these companies to have mixed-use developments where office, R&D, lab, and production space are all within proximity.
 - Zoning to enable developers to build these types of campuses without having to get a Planned Unit Development (PUD) approval.
- Have there been any studies of pertaining to talent availability and what needs to be developed?
 - Mr. Cardwell noted while there have not been any in-depth studies, there are technician-level needs (i.e., quality assurance, assembly, material handling, etc.). This provides a key role for the community colleges to fill that gap.
 - The cities could help create a community of companies that can inform the curriculum to help students who are not pursuing bachelor's or higher education degrees. These individuals may go immediately to work and be an asset to these companies.
 - Develop an aspect of collaboration between the community college and bioscience companies where the younger generation is starting their education while also working at one of these companies.
 - For example, the community college in Solano County offers an associate and bachelor's program in biomedical manufacturing, where Genentech designs the curriculum. Approximately 70% of the graduates of that program continue to work at Genentech as soon as they finish.
 - Mr. McCoy-Thompson noted that from the Pleasanton Partners in Education (PPIE) perspective, talent development also begins in secondary school. They are building very strong business-school engagements with companies like Roche and are always looking to do more.
- Is the high expense to build out labs specific to the Tri-Valley or is it being seen across the entire Bay Area?
 - Mr. Wilson responded that it is prevalent throughout the entire Bay Area.
 - The return on the investment in this area for landlords and developers take 3-4 years since the rent is lower than other regions. This provides a challenge as younger biotech companies prefer shorter lease agreements.
- Ms. Farhad noted interest in the Life Sciences Summit hosted by i-Gate and would like Visit Tri-Valley to support/invest as events like these drive awareness. She shared that visitors return on average 5 times before becoming residents and the talent pool of expert speakers in this area is excellent.

Ms. Ott noted that this conversation has offered some potential strategic activities that we can take to create a roadmap relative to expanding life sciences in Pleasanton and that this topic would be a continued conversation in the future.

Coordinated Business Support Program Updates

Ms. Adamos shared that the Promise Pass presented at previous meetings will be available through mid-November but the marketing campaign will sunset at the end of this month.

Additionally, she offered that the City launched *Gift Pleasanton*, a citywide e-Gift card program and marketing efforts will continue to get the word out.

Economic Development Information/Updates

EVC Chair Steve Van Dorn asked Economic Development Manager, Lisa Adamos if we could move the Economic Development updates to our next meeting. Ms. Adamos noted that information and updates are provided in the staff report.

MATTERS INITIATED BY ECONOMIC VITALITY COMMITTEE

EVC Chair Steve Van Dorn noted that the July meeting is canceled and the next EVC meeting will be in August.

MEETING ADJOURNED

The meeting was adjourned at 9:07 a.m.