



## ECONOMIC VITALITY COMMITTEE REPORT

August 15, 2024  
Economic Development

**TITLE: PRESENTATION ON LIFE SCIENCES/BIOTECH INDUSTRY SECTOR AND CITY ZONING AND PERMITTING OVERVIEW**

### BACKGROUND

In August 2023, the City Council adopted the updated Economic Development Strategic Plan (EDSP) which the Economic Vitality Committee uses as the foundation for its work. The plan comprises of 5 Implementation Plan Priorities:

- 1.0 Economic Development Capacity Building
- 2.0 Business Retention, Expansion & Attraction
- 3.0 Local Revenue Growth
- 4.0 Entrepreneurship & Innovation Outreach
- 5.0 Major Projects Accelerator Program

There are specific actions items under Priority 5.0 Major Projects Accelerator Program that are related to the Life Sciences/Biotech Sector and the City's Zoning and Permitting Processes:

#### 5.1 Create Business Roadmap to Provide Clear Pathway for Zoning and Permitting

Identify zoning code modifications that would help bring target sectors to Pleasanton

### DISCUSSION

Pleasanton has continued to develop a strong base of specialized firms that drive innovation in sectors including data management, cybersecurity, biomedical research, and advanced manufacturing of medical devices. In addition to established life sciences and medical diagnostics companies like Roche Molecular, Bio-Rad Laboratories and Abbott, there have also been fast-growing firms making Pleasanton their home that make critical hardware, software and technology, including 10X Genomics, Veeva Systems, Apton Biosystems, and Unchained Labs.

According to the *2023 Mirador Review*, provided as an attachment, the Tri-Valley region has become a focus of economic growth in recent years as people sought more affordable space, both to live and work. Pleasanton-based Apton Biosystems CEO John Hanna noted the depth of talent and expertise in the Tri-Valley as a huge competitive advantage along with the startup drive that exists to make a company successful. The Tri-Valley saw notable traction in attracting life sciences companies with commercial

real estate rates less than San Francisco, Silicon Valley and Oakland. Pleasanton had the most significant development in 2022 with Tarlton Properties' buildout of Pleasanton Labs in Hacienda. It was noted as a strong endorsement for the region considering Tarlton's success with similar projects in other locations including Menlo Park, Hayward, and the Peninsula.

While 60% of the total capital raised in 2022 went to software companies, a significant amount of venture capital dollars was invested in life sciences companies, about \$123M across 15 different companies, up 13% from \$108M in 2021. Mirador Capital Partners stated the attraction of venture capital dollars to Tri-Valley life sciences companies is primarily due to the vast ecosystem already present in the Tri-Valley, which promotes key collaboration and access to industry specific talent (The Mirador View, page 21).

Recognizing the synergy of activity and opportunity to grow the life sciences and biotech sector in Pleasanton, the City is working with Alex Greenwood Group to formulate a business roadmap to enhance Pleasanton's ability to support the attraction of life science, biotechnology, and closely related high-value industrial businesses. The following Scope of Work has been established to accomplish this strategic plan implementation task:

- a) Conduct an initial meeting with key City staff to provide an overview of current real estate dynamics, trends, and facility needs of the Bay Area biotech industry, including a discussion of issues that commonly arise in the entitlement and permit approval process. Participate in regularly scheduled meetings with staff throughout the project.
- b) Produce internal white paper for staff to assess the City's current land use and zoning regulations as they pertain to life science, biotechnology, and related uses.
- c) Collaborate with staff to identify opportunities to improve the City's entitlement and permit processes for life science uses, as well as the Building plan review and inspection process.
- d) Formulate recommended changes to the City's zoning regulations, zoning map, land use designations, development standards, and/or other land use regulations, to remove regulatory obstacles and improve the City's position to attract life science and related high value industrial, lab, and office uses.
- e) As requested, support staff efforts to present to Planning Commission and/or City Council for approval, and/or to brief policy makers in advance. This may include: drafting staff reports, legislation, zoning amendments, and/or PowerPoint presentations, as needed.
- f) As requested by City, assess key opportunity sites that are well positioned to attract biomedical and related high value industrial tenants. Identify site conditions, access, infrastructure, land use regulations, or other issues that may impact the ability of the opportunity sites to attract target industries.

- g) As requested, connect City staff with key brokers, developers, architects, or other representatives in the life science industry, and/or assist City with participation in trade industry events in the life science industry (e.g., BIO, Biocom, CLSA, etc.)
- h) As requested, provide other related analysis, technical advisory, or support.

Alex Greenwood of Alex Greenwood Group will provide an overview of the life sciences/biotechnology sector, key industry drivers, real estate landscape, and opportunities for Pleasanton.

The Community Development Department works cohesively with the Economic Development Division to provide business assistance and guidance for businesses interested in starting a business in Pleasanton. The business approval process begins at Pleasanton's Permit Center with the City's Planning, Building and Engineering divisions. As the life sciences and biotechnology industry have unique elements associated with its business development and operations, Deputy Director of Community Development/Planning and Permit Center Manager Melinda Denis will provide the EVC with an overview of the City's current zoning and permitting processes and opportunities to support expansion of this industry sector in Pleasanton.

#### **EVC Input**

The EVC is invited to ask questions and provide feedback on the information presented. Below are some questions to help initiate the discussion:

1. What role can the City take in capitalizing on the advantages or addressing the disadvantages in growing life sciences/biotech in Pleasanton?
2. What other considerations should the City take into account related to these activities?

#### **ACTION: PROVIDE FEEDBACK OF LIFE SCIENCES/BIOTECH INDUSTRY SECTOR PRESENTATION AND CITY ZONING AND PERMITTING OVERVIEW**

Attachment: [The Mirador View 2023 - Perspectives on the Tri-Valley](#), Mirador Capital Partners