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UCI Skips HQ for Stem Cell Work

By Rick Reiff - 4/11/2005

Orange County Business Journal Staff

Ten areas are bidding to become the headquarters for the California Institute of Regenerative Medicine, the state agency funding \$3 billion in stem cell research grants in the next 10 years.

The winner, expected to be chosen next month, can claim bragging rights as the stem cell research capital of California—if not the country or world.

San Francisco, San Diego, San Jose, Los Angeles, Sacramento, Long Beach, the Peninsula south of San Francisco, Emeryville, Alhambra and Richmond have formed private-academic partnerships to try and land the headquarters.

The derby is the result of Proposition 71, an initiative passed by voters in November that directs the state to fund stem cell research.

The bidders are touting their scientific prowess and corporate support. They're sweetening their pitches with free rent, prime locations, scenic views and perks such as a fitness club, concierge service or hotel rooms.

But one notable team is missing from the competition: Orange County and the University of California, Irvine.

"It's kind of surprising that Orange County hasn't put its hat in the ring, because the county has such strength in biomedical," said Jack Kyser, chief economist of the Los Angeles Economic Development Corp., which helped with L.A.'s bid.

But UC Irvine Chancellor Ralph Cicerone and some other academic and business leaders say OC has opted for a more pragmatic approach: skipping a glamour competition that many observers concede to the Bay area.

Instead they say they're focusing the county's effort on landing actual research dollars. That effort includes vying to get an envisioned regional center—a campus building housing laboratories and scientists.

Research grants "are going to be awarded competitively and we like that," Cicerone said in a recent interview on KOCE-TV's "Inside OC" program (hosted by this reporter). "We think we are going to do very well competitively."

"Our efforts should be focused on securing funds for the research endeavors," said Thomas R. Moebus, cofounder of OCTANe, a group formed to promote growth in OC's technology industries.

UCI already has an estimated 55 people working in stem cell research, including a couple of dozen in human stem cells. It is a national leader in spinal cord research and other neurological areas.

UCI also has the cachet of being home to the Reeve-Irvine Research Center, affiliated with the late actor and stem cell research advocate Christopher Reeve. The institute's faculty features Hans Keirstead, a pioneer in the study of human embryonic stem cells to repair spinal cord injury.

Cicerone downplayed the impact of landing the headquarters, the size of which is limited by state guidelines that are designed to funnel money into research, not bureaucracy.



Cicerone: "We want the action"

"The headquarters is going to be an office operation, about 15,000 square feet, at most 40 people, and they are going to be dealing with a lot of regulation and paperwork," Cicerone said. "We want the action."

Kyser himself suggested that OC had "read the tea leaves and decided one too many people are sticking up their hands."

"And no matter how hard we fought in the south, (the headquarters) would go to the north," he said.

Kyser and others cited the Bay area's institutional dominance and a political bias toward the north in state politics.

But he and others questioned the wisdom of skipping the headquarters bid altogether, suggesting that OC should have thrown its hat into the ring along with other regional powers.

"While the research is going to be important, a lot of people view the prestige of having the headquarters of this entity as worthwhile," Kyser said. "There will be, with the first couple of awards, a lot of pomp and circumstance. And you'll have the governor there. There will be some sparkle to the thing."

"In one sense, it really is too bad," said Reeve-Irvine Director Oswald Steward, one of two UCI faculty on stem cell initiative's ruling 29-member Independent Citizens Oversight Committee. "Orange County would have been a perfect location. It's central, has proximity to the airport and has an up-and-coming biotech sector."

Stan Oftelie, chief executive of the Orange County Business Council, said his group learned from OCTANe officials that UCI had opted not to pursue the headquarters.

"It's a strategic decision," Oftelie said. "I don't think it would be mine, but I understand what they're doing."

Most of the bidders include a developer or landlord—L.A. and Thomas Properties Group Inc., Alhambra and Grubb & Ellis Co., Richmond and Orton Development Inc., to name a few.

People close to the local process said there were high-level talks between UCI and The Irvine Company before the decision was made not to pursue the headquarters.

The Irvine Co. declined to comment for this story. But sources said the company is well aware of the implications of the state's stem cell program, which could bring a quantum leap in medical research. They said the company wants UCI to thrive in the competition for research dollars.

That would suggest the Irvine Co., a partner with UCI in University Research Park, could play a role in the school's expected bid for a research facility.

(Reeve-Irvine's Steward said UCI will need a building separate from Reeve-Irvine to do state research. Reeve-Irvine receives federal grants from the National Institutes of Health, and those grants are far more restrictive on what stem cell research is permissible than the state grants will be. The state's financial accounting rules also encourage separate research.)

The bidding deadline for the headquarters was last month. The California Institute of Regenerative Medicine and the state Department of General Services are expected to issue an analysis of the bids—and recommend four or five of the sites—this week.

The institute's oversight committee is expected to pick the winner at its May 6 meeting. (It just so happens the committee will hold its following June meeting at UCI.)

By then, OC should have its drive for the research dollars under way.

"Together with UCI, OCTANe is forming a stem cell advisory group, which will help to fashion the right

strategy and tactics to put forward winning proposals to the state,” Moebus said.

OCTANe is set to hold a workshop on the stem cell industry April 27 at UCI’s University Club.

Still, even supporters of the UCI strategy concede that it might have been colored partly by necessity: “San Diego was able to mount a substantial and immediate response to the HQ building,” Moebus said.

“I think the other communities are better organized in terms of their biotech industries with the local universities,” UCI’s Cicerone said.

Susan Bryant, dean of biological sciences at UCI and the university’s other member on the California Institute of Regenerative Medicine oversight committee, suggested the headquarters issue may help OC to better organize itself the next time something arises.

“These kinds of opportunities require that you have in place a connectivity that is just emerging here,” she said.