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## **S.F. sweats out stem cell vote** **City received selection panel's backing, but other cities** **making last-ditch pitch**

- [Rachel Gordon](#), [Carl T. Hall](#), [Ilene Lelchuk](#), [Chronicle Staff Writers](#)

Friday, May 6, 2005

San Francisco is the clear front-runner as the competition to secure California's prestigious new stem cell institute headquarters enters the final stretch today, but Sacramento and San Diego officials are pushing for a last-minute upset.

The institute's 29-member governing board will vote today in Fresno on where the headquarters will be located.

The site-selection committee of the California Institute for Regenerative Medicine, the formal name of the stem cell institute, gave San Francisco's bid top marks based on its written proposal and an in-person tour of the promised amenities.

Sacramento came in second, followed by San Diego. Emeryville, the fourth of the finalists, was eliminated from consideration earlier this week and threw its support to San Francisco.

In interviews with The Chronicle, however, governing board members differed on how much weight the site-selection committee's recommendation should be given.

Dr. Michael Friedman, president and CEO of City of Hope, a cancer center near Los Angeles, said the site-selection committee recommendation should not be the deciding factor.

"I think the board should accept that information and then make their own decision," he said. "They should look at all that, ask questions, listen to the presentations, and then make a decision. They can pick the No. 1 city, or the No. 2 city or the No. 3 city. That will be the board's prerogative."

But Dr. Ted Love, president and CEO of Nuvelo Inc., a biopharmaceutical company in Sunnyvale, said that unless the site-selection committee's process was flawed, its recommendation should be honored. "What I'm trying to do is honor the process that's in place," he said. "I haven't made up my mind, but I'm inclined to take the site-selection committee's recommendation."

In a report accompanying the agenda for today's meeting, institute staff warned board members that while the governing board has the final authority to select the permanent site for the headquarters, "the consideration of new factors could result in a challenge by other bidders and might require the cancellation of the entire process." Any change in scoring, the report said, "must be based on specific information contained in the written proposals or evident during the site visits."

Still, San Francisco, Sacramento and San Diego each will get 10 minutes to make a final pitch to board members, many of whom said Thursday that they hadn't yet seen the competing proposals and only read about them in news accounts. While not all members are able to attend, the rules allow them to send surrogates in their place to cast a vote on where the headquarters will be located.

Friedman, one of several board members contacted by The Chronicle who were careful to keep their thinking



to themselves prior to today's meeting, said the similarities among finalists are more obvious than the differences.

"This is a very difficult and challenging process. Each of the venues offers some very attractive features," he said. "I personally couldn't care less if it's Southern California or Northern California. It really doesn't matter to me. I don't want to make it sound as if I don't care, but I don't care," he said. "What I mean by that is each of these cities is offering an excellent proposal."

The hard-fought competition has turned into a high-stakes horse race that has crisscrossed politics, science, business -- and civic pride.

"It's cachet, it's reputation, and at this point it's become a sport," said stem cell institute vice chairman Ed Penhoet, who served on the site-selection committee. "There will be a winner, and there will be losers."

The institute, created by state voters to dole out \$3 billion in stem cell grants over the next decade, will employ only about 50 people. But whichever city is chosen will be considered the stem cell capital of California, if not the United States and possibly the world.

While the specter of regionalism is not expected to factor into the grant allocations, the prospective host cities are hoping that the institute will serve as a magnet for bioscience business, creating jobs and adding to the tax base.

On Thursday, the people behind each bid were busy counting votes, but came up short in reaching a definitive conclusion.

"There's a sense that by no means this is San Francisco's, so we're really taking it to the next level to make our case," said San Francisco Mayor Gavin Newsom.

He spent much of Thursday trying to reach board members to lobby them for support and will be in Fresno today to help make San Francisco's presentation.

Newsom said that if the selection is made purely on which city made the strongest bid, San Francisco would stay on top. But if geography and political considerations rise to the top, San Francisco is in for a tough fight.

"There are two ways this can go: It's a regional vote or it's a vote on the merits of the proposal based on the process that was set up through the (application requirements). And on that process," Newsom said, "we succeeded in multiple rounds, and we were selected as the recommended choice by the site-selection committee."

"That being said," Newsom added, "not one, but three proposals are being considered by the full committee, and the full committee is a very diverse group of people that represents every region of the state of California."

Sacramento Mayor Heather Fargo also was on the phone with committee members Thursday, making the point that locating the institute in the state capital, close to the governor, lawmakers and other state agencies, would best serve the institute and the people of California, "not just now but in the long term."

San Diego's head cheerleader, biotech business leader Joe Panetta, is undaunted by a third-place score from the site-selection committee. He said the presentation team will emphasize that San Diego should win by virtue of its uniqueness, namely the city's cluster of life-sciences experts.

"We have the most collaborative life-sciences community in the world," said Panetta, president and CEO of Biocom, the San Diego region's biotechnology industry's trade group. "(The presentation) is not going to be about flash or celebrities. It's going to be from the heart, what San Diego is all about. It's about folks from the research community who all know each other."

But Bay Area boosters are just as adamant that their region has the most to offer with its research universities, among them Stanford, UCSF and UC Berkeley, and its concentration of biosciences businesses and venture capital firms.

Each city offered the institute free rent for 10 years, and then added other perks, ranging from free hotel rooms for the institute's visitors to free use of conference centers.

And while the cities were busy highlighting their attributes, a quieter campaign was being conducted behind the scenes trying to point out their opponents' weaknesses: San Francisco's high housing prices, the impending resignation of San Diego's mayor under a cloud of scandals, Sacramento's hot summers.

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#### The decision-makers

The 29-member board, made up of the patient advocates and 19 other members drawn mostly from academic and biotech circles, will decide how to spend the \$3 billion in taxpayer-backed research and facilities bonds authorized by Proposition 71. Here are the members:

Dr. David Baltimore, president, California Institute of Technology, Pasadena

Robert Birgeneau, chancellor, UC Berkeley

Dr. Keith Black, director of neurosurgery, Cedars-Sinai Medical Center, Los Angeles

Susan V. Bryant, dean, UC Irvine School of Biological Sciences

Dr. Michael Friedman, president and CEO, City of Hope

Michael Goldberg, Jasper Capital and Mohr Davidow Ventures, Silicon Valley

Dr. Brian Henderson, dean, Keck School of Medicine at University of Southern California

Dr. Edward W. Holmes, vice chancellor for health sciences and dean of the School of Medicine at UC San Diego

Dr. David Kessler, vice chancellor, UCSF Medical Affairs

Robert Klein, Klein Financial Corporation, and chairman of ICOC

Sherry Lansing, chairwoman, Paramount Pictures, Hollywood

Dr. Gerald S. Levey, dean, UCLA Geffen School of Medicine, vice chancellor, UCLA Medical Sciences

Dr. Ted Love, president and CEO, Nuvelo Inc. biopharmaceutical company, Sunnyvale

Richard Murphy, president and CEO, Salk Institute, La Jolla (San Diego area)

Tina Nova, president and CEO, Genoptix Inc. medical lab, San Diego

Ed Penhoet, president, Gordon & Betty Moore Foundation, San Francisco

Dr. Phillip Pizzo, dean, Stanford School of Medicine

Dr. Claire Pomeroy, executive associate dean, UC Davis School of Medicine

Dr. Phyllis Preciado, American Diabetes Association

Dr. Francisco Prieto, family physician and president, Sacramento-Sierra Chapter of the American Diabetes Association, Elk Grove (near Sacramento)

John C. Reed, president and CEO, Burnham Institute, La Jolla (San Diego area)

Joan Samuelson, president, Parkinson's Action Network

David Serrano Sewell, San Francisco deputy city attorney representing Amyotrophic Lateral Sclerosis Association and National Multiple Sclerosis Society

Jeff Sheehy, deputy director for communications, UCSF AIDS Research Institute

Jonathan Shestack, founder and vice president, Cure Autism Now, Los Angeles

Dr. Oswald Steward, chair and director of the Reeve-Irvine Research Center for Spinal Cord Injury at UC Irvine

Dr. Leon Thal, chairman and professor, UC San Diego Department of Neurosciences

Gayle Wilson, board of directors for Gilead Sciences, wife of former Gov. Pete Wilson

Dr. Janet Wright, cardiologist, American College of Cardiology

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