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Anticipation building for stem cell projects

\$831M in construction statewide over next two years

Silicon Valley / San Jose Business Journal - by [Sharon Simonson](#)

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The business of building for science just got better.

California **Institute for Regenerative Medicine**, or CIRM, said it expects \$831 million to be dedicated to laboratory bricks and mortar statewide in the next two years. Roughly half has been allocated to Northern California.

Beyond that lie even greener pastures as the research completed in the stem-cell labs spawns commercial ideas. This in turn will create a demand for new private-sector laboratories and manufacturing capacity, and, of course, the workers and sophisticated equipment to fill them.



Dennis G. Hendricks

Stanford University's new medical facility was the top recipient of state stem cell funds. Shown is project manager Chris Shay.

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"I suspect before it's done, the private money will dwarf the public spending," said Michael Lynch, who joined Redwood City's **DPR Construction Inc.** this spring to lead its National Biopharmaceutical Core Market Group. "In a way, the best thing that ever happened to California was the federal government cutting off stem-cell

money. It gave California the only Kool-aid stand in town even though other states followed because it looked like a heck of an idea economically."

Construction industry representatives said they have been gearing up for this moment practically since voters approved the \$3 billion bond measure in November 2004. That preparation has included sharpening skills to do what all agree is technical and challenging work, starting with engineering and architectural design all the way through to on-the-ground construction. In general, that has translated into more people knowing how to do more things, said Ulrike Ruppelt, marketing director for Redwood City's DES Architects & Engineers.

"We definitely have followed it," Ruppelt said. "The bond measure has been known for a number of years, and we knew that a lot of dollars would flow into the research effort."

But those in Northern California's commercial-building industry say the stem-cell construction money will be deposited on a rocky landscape. The state requirement for seismic upgrading of California hospitals has already placed a stiff demand on some subcontracting specialists. In addition, rising building-materials costs continue to be an issue. Add to that a state-mandated deadline to have the stem-cell facilities up and running by 2010, and matters could get dicey.

Chris Shay, a program project manager for the **Stanford University School of Medicine** overseeing its new stem-cell building's construction, said the school has been gearing up for months to hit the ground running when and if it received some of the state stem-cell building funds. The university already has retained **The Whiting-Turner Contracting Co.**; Whiting-Turner is lining up its subcontractor support.

"There is going to be a lot of pressure on us to meet the deadline. The mechanical, electrical and plumbing contractors are also in demand for the hospital seismic retrofits. It's a relatively small pool to begin with, and they're already stretched thin, and that's before the CIRM money hits the streets," Shay said.

The school will rely on its long-standing relationships in the construction industry and the promise of more work in the future to secure the services and work it needs, he said.

Challenges aside, Stanford is thrilled to have been awarded the CIRM money and to be pursuing the opportunity it creates, he said.

Stanford University was the top recipient of state stem-cell facilities money -- \$43.58 million. It will leverage that with another \$156.4 million from its own sources to build the \$200 million, 200,000-square-foot headquarters for the Stanford Institute for Stem Cell Biology and Regenerative Medicine. The project is already under way.

Other big money recipients in northern California include the University of California, San Francisco, University of California, Berkeley, and Novato's Buck Institute for Age Research, which got \$20.5 million. Buck is an independent nonprofit working to understand and combat age-related diseases such as Alzheimer's and Parkinson's disease.

Only California-based, non-profit research institutions are eligible to receive California's stem-cell money.

In total, the California stem-cell institute will distribute \$271 million to 12 California institutions to help finance research and laboratory facilities statewide. The institutions, in turn, have committed an additional \$560 million of their own and donors' money.

Aside from the obvious goal of finding medical solutions to now-incurable diseases, Proposition 71 promised Californians to "(a)dvance the biotech industry in California to world leadership" and to make it "an economic engine for California's future."

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