



Stem cell business already growing

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By David Louie

SAN JOSE, CA (KGO) -- The President's order opens floodgates holding back millions in federal research dollars, and Bay Area bio-tech firms are already reaping the benefits.

Shares of Menlo Park's Geron Corporation gained more than 16 percent Monday and Stem Cells Ink of Palo Alto shot up by more than 40 percent.

This could be a gold mine for the Bay Area. It is going to be a shot in the arm for the smaller start-ups that rely on grants and venture capitalists to finance their research. It also means jobs if you have an education.

The Bay Area pioneers who have been committed to stem cell research say the shackles that gave scientists abroad a competitive advantage have been removed.

"We understand that they will make a decision on stem cell lines within 120 days and present that back to President Obama. We hope then that that will immediately open up funding and that could mean grants flowing next year," said Fiveprime President and CEO Gail Maderis.

Biotech firms say projects funded by the National Institutes of Health give their work a stamp of approval for venture capitalists to step up with additional money.

"Once the NIH starts to make those initial investments via grant awards, then that does open the gates for other investors to come in and let drug companies to come in and partner with us," said VistaGen CEO A. Franklin Rice.

Venture capitalists have put about \$1.2 billion a year into biotech in the Bay Area. As the dollars rise, that could lead to explosive growth.

"There will be companies that open up business units here that are established companies, and I think we'll also see a number of new companies formed around these technologies as they're

getting up and running. You'll also find that academic researchers will be making discoveries that will lead to entirely new companies," said BayBio President and CEO Matthew Gardner.

Northern California is home to almost 1,400 biotech facilities.

Fiveprime is based in San Francisco's growing biotech center called Mission Bay and has 100 employees.

It is projected that the new commitment to stem cell research could double biotech jobs over the next 10 years creating 1.3 million jobs.

Pay can range from \$45,000 to \$100,000 for those with two-year and four-year degrees.

Therapies under development range from treating cancer to diabetes and regenerating spinal cord cells that might allow paraplegics to walk again.