

DATE ISSUED: March 9, 2005

REPORT NO. 05-067

ATTENTION: Honorable Mayor and City Council  
Docket of March 14, 2005

SUBJECT: Request for Proposal related to a site for the California Institute for  
Regenerative Medicine (CIRM)

REFERENCE:

SUMMARY:

Issue(s) –

Should the City Council authorize the Manager or his designee to submit a proposal in response to the Request for Proposal issued by the State of California in an effort to attract the California Institute for Regenerative Medicine (CIRM) to locate their headquarters facility within the City?

Manager's Recommendation(s) –

Authorize the Manager or his designee to submit a proposal in response to the Request for Proposal issued by the State of California in an effort to attract the California Institute for Regenerative Medicine (CIRM) to locate their headquarters facility within the City.

Other Recommendation(s) – None.

Fiscal Impact –

None with this action. In accordance with the State's Request for Proposal (RFP), the City has already satisfied the stipulated "minimum requirements" for submitting a proposal. An outstanding collaboration of private sector business interests including property owners, the San Diego Regional Economic Development Corporation, Biocom and CONNECT have committed to ensure that all of the "building owner" and "preference" item requirements in the RFP will be met or exceeded.

## BACKGROUND

On November 2, 2004, the voters of the State of California passed Proposition 71, authorizing the state to sell up to \$3 billion of general obligation bonds to support stem cell research. A core component of Proposition 71 called for the establishment of the California Institute for Regenerative Medicine (CIRM) and locating a headquarters facility within the State. This headquarters will house the CEO of the Institute and be responsible for awarding and administering its research activities. Proposition 71 also established a 29 member Independent Citizens Oversight Committee that was responsible for making major decisions for the activities of the CIRM, including determining where the headquarters will be situated.

The Independent Citizens Oversight Committee (ICOC) for CIRM issues has been meeting since December 2004. On February 28, 2005, the State's Department of General Services (DGS) issued a formal Request for Proposal (RFP) soliciting proposals from governmental entities interested in having the CIRM headquarters facility based in their jurisdiction and established March 16, 2005 as the deadline for submitting proposals. The final CIRM site decision will be made by the ICOC. It is anticipated that the ICOC will make the final site decision by May 6, 2005.

## DISCUSSION

The possibility of attracting the headquarters for CIRM to the City has significant economic development potential. The CIRM headquarters would, at minimum, enhance the City's reputation as a leader in life sciences research and create an estimated 50 jobs at the Institute. It is quite possible that attracting CIRM to the City will spawn significant additional capital investment into the region for stem cell research and development activities and create hundreds of quality job opportunities.

Recognizing this potential, the San Diego Regional Economic Development Corporation, the City's Community & Economic Development and Real Estate Assets departments and an outstanding group of private sector business interests (many representing life sciences and high technology industry) have collaborated to develop an excellent proposal for CIRM in response to the State's RFP. The RFP stipulates that a "Governmental Entity" must submit proposals in conjunction with "Building Owners" to provide the State with a fully functional office space for CIRM. Staff believes that this proposal will meet or exceed the minimum requirements and preference items requested in the RFP issued by DGS.

It is anticipated that at least four other cities (Sacramento, San Francisco, Emeryville and San Jose) may submit proposals in response to the RFP. Although the competition will be stiff, the City's contemplated CIRM proposal will offer unique attributes that should be compelling to the Institute. Of particular note, the identified office space will be in a beautiful location with close proximity to prestigious research institutions such as the Salk Institute for Biological Research, the Scripps Research Institute, the Burnham Institute, the Neuroscience Institute and the University of California, San Diego.

The substance of the City's CIRM proposal will be facilitated by the contributions of generous private sector businesses, property owners and business organizations. A collaboration of the San Diego Regional Economic Development Corporation, CONNECT and Biocom will ensure all of the third party commitments that are not directly related to the facility. As the Governmental Entity submitting the proposal in response to the RFP, the City will ensure by means of proper diligence that all information and certifications within the proposal are accurate.

### CONCLUSION

The opportunity to attract CIRM creates a tremendous economic opportunity for the City including jobs, the possibility of new capital investment and enhancing our reputation as a leader in biotechnological research and development. For the next decade, the CIRM will fund research that could lead to treatments and cures for many diseases and injuries. This new area of medical research promises to open up exciting new avenues of science and could be the start of a new and vibrant part of the biotechnology industry.

An outstanding group of private sector businesses, property owners and business organizations have volunteered their resources and energy to enable the City to submit an excellent proposal for CIRM in response to the RFP issued by the State. Staff believes that the proposal will be both responsive and compelling. Given the anticipated public benefits associated with attracting CIRM to the City, it is recommended that the Manager or his designee be authorized to submit a proposal, in response to the RFP issued by DGS, on or before March 16, 2005.

### ALTERNATIVE

Do not authorize the Manager or his designee to submit a proposal in response to the Request for Proposal issued by the State of California in an effort to attract the California Institute for Regenerative Medicine (CIRM) to locate their headquarters facility within the City.

Respectfully Submitted,

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William T. Griffith  
Real Estate Assets Director

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Approved: Bruce Herring  
Deputy City Manager

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