

Life science industry to be 'golden'

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Striking notes against the ongoing thrum of sour economic news, the leader of a Bay Area business consulting firm said Thursday the life science industry is booming and poised for "golden" growth in Solano County and cited robust corporate earnings, rising incomes for local employees and increased federal research grants to make his case.

The industry -- especially clustered in Vacaville, with companies such as Novartis, Genentech and ALZA making drugs, biotech products and medical devices -- "is growing faster here than in other areas," at an annual rate of 35 percent between 2000 and 2006, far outpacing the rest of the Bay Area, generally regarded as the industry's leader, said Doug Henton, chairman and CEO of Collaborative Economics.

As head of a firm that develops regional indexes and advises civic leaders throughout the world, he said the county likely will play an expanding role in the industry's "explosion of growth."

But Henton, speaking Thursday at a Solano Economic Development Corp. breakfast in Fairfield, advised area business leaders and local elected officials about what they could do to make sure the industry keeps up its rosy profit numbers, job gains, research and development grants and plans for expansion.

Speaking in front of a theater-size screen filled with projected graphics and figures, he quickly ticked off a list of suggestions, chief among them providing adequate "R&D and manufacturing space."

Large biotech and drug companies need water and infrastructure to grow and prosper, he continued, alluding to the state's ongoing drought.

Additionally, he suggested city and county leaders "consider how tax policies could support continued growth of life science companies," then added that "tax policies must be sensitive to industry need."

"We want them (the companies) to invest and innovate, so tax policies need to take those needs into consideration," Henton told some 100 people gathered at the Hilton Garden Inn.

He also stressed the need for local firms to develop relationships with major research institutions -- such as the University of California, Davis and Berkeley in particular, Touro University on Mare Island -- "to spur innovation and business start-ups" and to develop training programs. He also cited Solano Community College's biotechnology program as a source of future employees, especially those seeking to be biological or chemical technicians.

Aside from his major points, Henton, referring to his firm's life science cluster report, noted that employment in the industry is 60 percent higher in Solano County, with some 40 companies, than it is elsewhere in the state, where the Bay Area is a "global force" with a concentration of high-tech firms.

He held out hope for additional federal funding for research and development in the recently passed economic stimulus bill, noting that, between 2002 and 2008, the county received \$3.4 million in grants from the National Institutes of Health, a 68 percent increase in funding over the previous seven years.

Henton said the average wage growth in the industry in Solano County has risen 30 percent since 2000, with \$78,300 as the annual average income in 2006 (in inflation-adjusted 2008 dollars). Still, Solano's average annual wage was well below the Bay Area and state averages, at \$112,900 and \$95,600, respectively.

Toward the end of his remarks, Henton told the business and civic leaders that the industry's long-term "growth opportunity is golden."