INFORMATIONAL MEMORANDUM

TO: Agency Commissioners
FROM: Fred Blackwell, Executive Director
SUBJECT: Media Clippings from 10/27/09 to 11/11/09

Enclosed is a collection of newspaper and media clippings from the past month that refer to the Redevelopment Agency or an Agency-related project or program.

(Originated by Gia Casteel-Brown, Executive Assistant)

YERBA BUENA:
Attachment 1: SF Examiner, “The Metreon is a tough sell in a rough economy”, November 12, 2009

BAYVIEW HUNTERS POINT & SHIPYARD:

MISSION BAY:

GENERAL:
Attachment 8: SF Examiner: “Redevelopment projects could employ more locals in southeastern San Francisco,” November 3, 2009
The Metreon is a tough sell in a rough economy

By: John Upton
Examiner Staff Writer
November 12, 2009

SAN FRANCISCO — A decade ago, the glimmering facade of the Metreon — a digital wonderland built by a technology giant — sprouted in SoMa.

The cavernous, four-story retail center was built by Sony and opened in 1999 on public land at Fourth and Mission streets as a flagship haven for gamers, but it seems to have missed its mark. Now, the nearly vacant shopping center could end up as a big-box mall with a Target store, a move that some in the community are questioning.

Sony opened the Metreon as a showcase, and it planned to open scores of similar arcade-focused, theme park-style retail centers around the world. But those plans were dumped after the experiments in San Francisco and a handful of other cities failed to attract expected hordes of electronics aficionados.

The company sold the building in 2006 to a real estate firm and Westfield Group, a global shopping center giant that owns the nearby Westfield San Francisco Centre shopping mall.

Westfield and the San Francisco Redevelopment Agency, which owns and governs the land, announced in March that the Metreon would be overhauled and re-engineered as a food and restaurant destination.
Because the Metreon was designed as a haven for gamers, its awkward architecture bucked conventional trends. The building was crafted in a way that creates a disconnect between the inside and outside worlds. Large walls were built where windows would normally be placed.

In March, officials outlined plans to overhaul the building by redesigning its entrances and creating stronger connections between the center and the surrounding neighborhood and an adjacent park.

Financing for the construction plans was expected to be effortlessly secured after famous New York restaurant Tavern on the Green agreed to occupy the entire top floor of the building, which during a recession was regarded as something of a business coup, officials said at the time.

As a precursor to the building's gastro-centric transformation, a farmers market was opened on the ground floor in space that was recently occupied by a PlayStation store.

But Tavern on the Green filed for Chapter 11 bankruptcy protection two months later, and in September the New York City Department of Parks and Recreation announced that the restaurant's license to operate in Central Park would be transferred to a new restaurateur.

The restaurant subsequently dumped its San Francisco expansion plans, making it difficult for Metreon officials to secure loans to fund the building's needed overhaul, Redevelopment Agency Project Manager Amy Neches said.

Construction efforts were due to begin next year, but the timeline has been thrown into disarray because of financing complications created by the restaurant's bankruptcy, according to Neches.

"[Westfield] hoped to start in the first quarter of 2010, but their ability to start is based in part on their ability to get tenants," she said. "Their ability to borrow money is based on being able to show they're going to be able to get tenants."

Reports say Westfield is in talks to lease a floor of the Metreon to discount home-goods retailer Target.

Target and Westfield officials declined to discuss the potential tenancy or answer questions about the building.

"We're excited about Metreon's future," Westfield spokeswoman Catharine Dickey said in a brief statement e-mailed to The Examiner. "There is significant interest by a wide range of appealing tenants."

Supervisor Chris Daly, whose district includes SoMa, said he generally supports discount stores, but he's concerned about neighborhood and traffic impacts if a Target opens in the building.

"It seems to be a cheapening of what the Metreon was built to be," Daly said. "I'd want some pretty thorough review before supporting it."

The Metreon is on two heavily trafficked streets in The City's museum district, but it's also at the edge of distinct residential populations that live in alley homes and residential hotels.

The affected surrounding populations include a large number of young people, particularly Filipino-American youth, who lost one of their few local hangout spots when the gaming features of the Metreon disappeared, according to SoMa neighborhood activist Jim Meko.

"They get the hairy eyeball as soon as they enter the front door," he said.

But the opinions of neighbors may count for nothing.
San Francisco law generally requires a neighborhood’s approval before a chain store like Target can open in a new location, according to Larry Badiner, the chief zoning administrator at the San Francisco Planning Department. But the Metreon is unaffected by those laws because it’s on land governed by the Redevelopment Agency and because it’s located downtown, he said.

**The Metreon by the numbers**

4 Stories in the Metreon

120,000 Square footage of block it sits on

$25 million Improvements approved in March by San Francisco Redevelopment Agency

10 Years since Metreon was built by Sony

3 Years since Westfield took over lease

27 Years remaining on Westfield’s lease

36 Additional years Westfield can extend the lease when it expires

*Source: San Francisco Redevelopment Agency*

**Success of Metreon theater may have doomed its rivals**

A theater preservation group says the Metreon’s only successful long-term tenant has taken customers away from neighborhood cinemas, contributing to their decline.

The AMC Loews has enjoyed a strong flow of customers to its third-floor location since the Metreon opened in 1999. During that time, a decades-old trend in which dozens of neighborhood theaters shut down has continued in The City.

“All of the downtown theater complexes that have been built have had significant effects on neighborhood theaters,” said Alfonso Felder of the San Francisco Neighborhood Theater Foundation. “They get whatever films they want, whenever they want them, and they absolutely dominate online ticketing.”

Large corporate online ticket Web sites often incorrectly claim that Internet booking is unavailable for neighborhood theaters, and they recommend screenings in Marin and the East Bay multiplexes before suggesting movies that are playing in San Francisco neighborhoods, according to Felder.

“Our hope is that consumers will take the extra time to look at what’s playing in their neighborhood theaters first — but it’s hard when they’re attached to their iPhones,” he said.

AMC Loews’ public affairs office did not return a phone call seeking comment. — John Upton

**Filipino group eyes building for native, local arts space**

Filipino and Filipino-American artists could begin presenting their work in the Metreon next year.

The San Francisco Filipino Cultural Center is in lease negotiations with Westfield to move into the Metreon, according to spokesman Dennis Marzan.

The Metreon is a tough sell in a rough economy

The 8-year-old cultural center aims to move from an office that it sublets in SoMa into a performance and administrative space by summer.

“We want to showcase arts and performances from the local Filipino community in San Francisco and the Bay Area, and we also want to bring artists over from the Philippines,” Marzan said.

“There are existing Filipino arts organizations, but we want to be more of a bridge to connect the arts scene in the Philippines and the Filipino-American arts scene here,” he said.

jupton@sfexaminer.com

Find this article at:

☐ Check the box to include the list of links referenced in the article.
New lease for Mexican Museum

By: Mike Aldax

11/02/09 6:05 PM PST

The Mexican Museum will not be homeless this Christmas.

The museum’s collection of 12,000 objects, including paintings, sculptures and folk art, is currently in storage at Fort Mason and awaiting a new home in the culturally-rich Yerba Buena district in downtown San Francisco.

That new location, however, likely won’t be ready until after 2014.

Keeping the museum’s pieces at Fort Mason until it has a new home hasn’t been easy. Lease negotiations have been contentious.

However, the museum recently struck a short-term agreement that will allow it to remain in its current location through the end of December, Arts Commission chief Luis Cancel said today.

The agreement will allow the long-shuttered Mexican Museum to “reopen their store, and they are going to mount a temporary exhibition at Fort Mason,” Cancel said.

If that goes well, the museum might be able to extend the lease, Cancel said.

“That’s what of course we are hoping will take place so that we don’t have to incur the risk and expense of trying to relocate the collection of the Mexican Museum off of Fort Mason,” Cancel said.

The museum was founded in 1975 in the Mission district, where it displayed pieces dating from pre-Columbian times to modern Mexico.

But after the museum grew in popularity, it was relocated, in 1982, to Fort Mason in the Marina district.

About 20 years ago, the museum closed its doors to the public as it prepared to relocate to a new museum building in the Yerba Buena district.

But the San Francisco Redevelopment Agency changed its plans for the plot of land where the museum was going to be built, and the collection has been in storage since then.
The Redevelopment Agency now plans to allow a developer to build a condo tower at the site, which is on Mission Street next to the Contemporary Jewish Museum. Plans for the building include space to be set aside for the Mexican Museum.

In August, The Redevelopment Agency approved $280,000 in funding Aug. 4 for planning the museum's move in the Yerba Buena Cultural District.

Later that month, the Board of Supervisors voted unanimously in support of the move.

More from Mike Aldax

- Newsom Tracker: 13 days of silence
- SFPUC approves $250M tunnel project
- Will Newsom talk about Rev. Williams?
- SFGH neighbors continue helipad fight
- Anti-graffiti coursework starts in schools

Follow The Examiner
Shipyard homebuilding rules relaxed

By: John Upton

11/03/09 9:28 PM PST

Rules governing the mix of affordable-housing units and the pace of construction required at a massive southeastern San Francisco redevelopment project were relaxed Tuesday.

San Francisco Redevelopment Agency commissioners unanimously approved changes to an agreement with Lennar Corp., the master developer of a 770-acre building project centered at the shuttered Hunters Point Naval Shipyard.

Lennar, which is required to sell or rent 15 percent of the homes at affordable rates, had been required to distribute those affordable homes equally throughout the first phase of the redevelopment project.

But that requirement was amended Tuesday, allowing the company to cluster the affordable homes in some neighborhoods. The total number of affordable units that must be built was not changed.

Under the new agreement, at least 10 percent of Lennar’s homes within each individual project under the first phase of the redevelopment effort must meet the definition of “affordable,” which means they can be purchased or rented by residents earning up to 120 percent of the area’s average income.

The redevelopment agency plans to build homes for low-income residents within the shipyard project.

Additionally, the new agreement allows some infrastructure and parks to be completed up to 38 months later than originally scheduled.

The scheduling change was made because of the poor economic climate, agency staff said.

Company officials told commissioners Tuesday that they plan to begin construction on at least two blocks of homes next year, and the news was greeted with praise from commissioners and a union official.

“It’s wonderful that we have this opportunity,” Commissioner Francee Covington said. “There are a lot of developers in the city and county of San Francisco who are abandoning their projects or putting them on terminal hold.”

Exchange of park, wasteland OK'd

By: Kamala Kelkar
Examiner Staff Writer
11/05/09 9:47 PM PST

The City could soon own all of Little Hollywood Park in the Bayview, but it would have to give Norcal Waste Systems a strip of land to expand its facilities in Potrero Hill.

Currently, Norcal Waste leases the 35,250 square feet of land at the southwest corner of Tocoloma and Lathrop avenues – a little more than half of Little Hollywood Park.

What the company wants is a 50-by-628-foot strip of Channel Street on the southwest side of Seventh Street adjacent to one of its facilities, which is too small to make into a highly recreational area, the Recreation and Park Department said.

In addition, Norcal Waste is offering The City $400,000. The offer was tossed around before, but did not get the go-ahead.

The Recreation and Park Commission decided this time before recommending the exchange to the Board of Supervisors that it would request that the $400,000 be given to the open-space fund specifically for creating more open space on eastern side of The City.

Neighbors in the area were sad to see their only strip of open space go, but were hopeful The City might find other ways to compensate for it with the $400,000.

Since the Rec and Park Commission approved the proposal, the Board of Supervisors is expected to vote on the issue in December.

More from Kamala Kelkar

- Tsunami relief concert gets a break
- Green Festival producer discusses being eco- and people-friendly
- SFUSD teachers may be booted
- Summer classes too costly for CCSF
- District shapes up for state inspection
Lennar plans next phase of Hunters Point homes

BY J.K. DINEEN
San Francisco Business Times

With the first 88 Hunters Point Shipyard homes set to be under construction by early next year, developer Lennar Urban is already looking ahead to the next 159 units, which the company plans to break ground on during the second half of 2010.

Lennar Vice President of Development Jack Robertson said after investing $90 million on infrastructure work on the steep hilltop military site, they are eager to start pouring foundations and selling units.

The first 88 units (blocks 50 and 51 on the master plan) will cost about $28 million, and the next 159 homes (blocks 53 and 54) will cost about $40 million.

"We want to show people we are not a one-shot Annie here, so by some time in the second half of next year we want to kick off construction of (blocks) 53 and 54," he said.

Pricing on the first 247 condos will range from $400,000 to $700,000 with the majority of the units under $500,000. The price per square foot on the units—a mix of one, two, and three-bedrooms—will be about $590 a square foot. "We are anxious to get going in spite of the market," said Robertson. "The pipeline in the city is not that big and shrinking daily so we don't foresee a lot of new projects coming on line. This is a long term project and we have to get started at some point. By the time the first batch of homes are on line, there won't be a lot of inventory of new projects out there."

The buildings on blocks 53 and 54—a mix of town homes, flats over podium, and stacked flats—are being designed by Kava Massih Architects, who has offices in Berkeley and San Francisco. Materials will include steel, corrugated steel, wood, translucent resin panels, and lots of glass to take advantage of the bay and city views, according to Massih. Butl

Massih and Robertson said the Hunters Point Shipyard plan attempt to avoid the bulky monolithic blocks found north of the channel along King and Terry streets in Mission Bay.

"The width of the townhouses is 25 to 30 feet, similar to a typical San Francisco building lot, and the large buildings are broken up with various materials and forms to keep the same rhythm."

"That is the nut you have to crack. You are building smaller in the middle, so by some time in the second half of next year, developer Tanner Urban Development," said Massih. "You want to introduce enough variety and richness at the snap of a finger, which in older (neighborhoods) develops over decades."

Union Bank expands sites for wealthy

BY MARK CULVEY
San Francisco Business Times

Union Bank established "priority banking" offices within existing branches in Burlingame, San Mateo and Palo Alto as the San Francisco bank steps up its efforts to reach the affluent on the Peninsula.

The initiative is part of the bank's plans to have priority banking offices in about a third of its branches by the end of next year. This year 17 of the bank's 337 branches feature such offices.

The program targets Union Bank customers with a minimum of $100,000 on deposit in any combination of personal and business banking, investment or retirement accounts.

Geoff Ramire, senior vice president and head of priority banking, said five more Northern California offices will add priority banking next year.

The service is designed to help small business owners integrate their personal and business finances to maximize returns, and help with issues such as succession planning.

The services have been offered since 1975, but in more recent years Union Bank started relying on the offering to compete against larger rivals for the business of the affluent seeking more service and attention. Pursuing the affluent niche helps Union Bank go up against the ubiquitous branches and ATMs of coast-to-coast banks like Bank of America, Wells Fargo and Chase. At the same time, the program positions Union Bank to compete against service-oriented community bankers for small business customers.

"Our Northern California priority banking clients are key to the bank's success," said Brian Hawley, Northern California market president.

Union Bank's priority banking office in Burlingame, led by Branch Manager Vem Rinh, is at 1887 El Camino Real; the Palo Alto office, led by Walter Yoon, is at 259 El Camino Real; and the San Mateo office, led by Branch Manager Jerry Oso, is at 290 South El Camino Real.
UCSF expansion making Mission Bay a Biotech giant

By: John Upton
Examiner Staff Writer
November 8, 2009

SAN FRANCISCO — The expansion of a multibillion dollar hospital in Mission Bay will continue to transform the once desolate southlands of San Francisco into a hotbed of scientific innovation and patient care.

The UCSF Medical Center’s new Mission Bay Campus is being built on 43 acres of land that was donated by The City and developers. Roads, sewers and other infrastructure were provided by developers, and a school, library, police station, firehouse and 6,000 units of housing have been planned for the fast-growing neighborhood.

The donations were part of an effort to provide a life science-focused research anchor for a surrounding redevelopment project while discouraging the university from expanding elsewhere in the Bay Area.

“Life sciences and health care are not only one of the strongest sectors of The City’s economy, they probably have the strongest potential for future growth,” said Michael Cohen, Mayor Gavin Newsom’s economic adviser. “Mission Bay is absolutely the centerpiece of that economic engine for The City.”

Researchers began moving into campus buildings in 2003 and construction is expected to continue for at least another decade.

The research campus has helped attract more than a dozen biotechnology companies to the surrounding Mission Bay Neighborhood, a 303-acre former industrial wasteland that officials have been redeveloping south of AT&T Park since the late 1990s.

As construction of the campus in the heart of the Mission Bay moved forward — at a faster than expected pace — the university purchased 14½ acres of nearby land that was originally set aside for the biotechnology industry.

A 289-bed women’s, children’s and cancer hospital with an emergency room is planned to be built by 2014 on the new land, which is at the southern end of Mission Bay, marking an expansion of UCSF’s work in the neighborhood from laboratory-based research toward patient care. The beds will be moved from the overcrowded Parnassus and Mount...
Zion campuses.

“When the Mission Bay campus was originally conceived, we were thinking this would be primarily a basic science and research campus,” UCSF Planner Lori Yamaiuchi said. “With the decision to build an extension hospital here, we decided that we wanted to move clinical and translational research here.”

Scientists in the clinical and translational research fields use findings from basic science, such as information about how cells function, to develop and implement cures and preventions for diseases and ailments.

Expansion of the campus’s focus from laboratory-based basic sciences follows a nationwide trend driven by increases in clinical and translational research funding provided by the National Institutes of Health, according to Yamaiuchi.

The broadened focus led to a handful of additional facilities being built or proposed at the campus, where expanded teams of researchers will be based after being relocated from other UCSF campuses.

The five-story Helen Diller Family Cancer Research Building, which opened in June, includes 56 laboratories housing 414 researchers investigating cancer, with a particular focus on brain tumors and prostate, kidney, bladder and testicular cancers.

Construction began last year of a $254 million cardiovascular research building to house the half-century old Cardiovascular Research Institute, which is currently based at the university’s Parnassus campus. The new building will allow UCSF to hire additional researchers and it will also provide an outpatient clinic for patients with heart disease when it opens in two years.

The UCSF Orthopedic Institute recently relocated to space leased by UCSF in Mission Bay at 1500 Owens St., where patients are diagnosed and treated for muscular and skeletal problems. Dancers’ and athletes’ motions are tracked and analyzed using cameras and computers in a specially-equipped exercise room in the new building, which also includes four surgery suites and dozens of exam rooms. Prosthetic limbs are crafted by hand in the building to fit adults and children, some of them newborns who were born premature.

Additionally, UCSF is in talks with a developer interested in financing and building a proposed neuroscience building at the campus, according to Yamaiuchi.

Roadwork lags construction work

While growth of UCSF’s Mission Bay campus has outpaced expectations, the opening of a planned north-south pedestrian-focused thoroughfare through the campus has been delayed.

Fourth Street, which slices through the center of the entire redevelopment project, was planned to be built with bike lanes and fully opened by the end of this month and serve as the new neighborhood’s primary pedestrian corridor.

The corridor opened through the southern stretch of the redevelopment project more than five years ago.

A soon-to-be-retail-dominated stretch of the street opened in June throughout residential northern section of Mission Bay.

The recently-opened northern stretch of the street “will be the retail heart of Mission Bay — a traditional neighborhood retail core with an intimate scale,” Redevelopment Agency project manager Catherine Reilly said.
The final section of the critical corridor will provide access through and in UCSF, but its opening has been delayed until the end of the year, according to Reilly.

**Hospital helipad plans tweaked for neighbors**

A helipad will be built at the northernmost edge of UCSF’s new Mission Bay hospital to transport patients from other hospitals.

After years of controversy over the proposal, the San Francisco Board of Supervisors unanimously approved construction of the helipad in July after its proposed location was shifted as far as possible from the Dogpatch neighborhood.

To minimize impacts on neighbors, flight paths were plotted over the Bay and UCSF committed to help pay for noise dampening devices in nearby homes expected to be impacted by noise from helicopters.

Helicopters that land and take off at the helipad will primarily carry critically ill newborns, children and pregnant women from hospitals in as many as 50 Californian counties that lack UCSF’s resources.

The helipad could also be useful for helping evacuate patients after an earthquake, according to San Francisco Health Department Director Mitch Katz.

“We see it as a citywide resource in the case of a serious emergency,” Katz told supervisors.

**Construction timeline**

*UCSF Mission Bay hospital planned construction timeline:*

- **May 2010:** Grading and other site preparation work begins
- **December 2010:** Construction of building foundations begins
- **June 2011:** Construction of steel buildings begins
- **Mid 2014:** Construction work completed
- **Late 2014:** UCSF Medical Center at Mission Bay opens

*Source: UCSF*

**UCSF expansion**

*Phase 1 of UCSF hospital plan:*

<table>
<thead>
<tr>
<th>14.5 acre</th>
<th>Size of parcel upon which hospital is planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.6 billion</td>
<td>Expected construction costs</td>
</tr>
<tr>
<td>869,000 square feet</td>
<td>Total floor space</td>
</tr>
</tbody>
</table>
### Beds in children’s hospital
- 183

### Beds for adult cancer patients
- 70

### Beds in planned birth center
- 36

**4 years** Construction period

*Source: UCSF*

**Find this article at:**

☐ Check the box to include the list of links referenced in the article.
"It's really starting to bring Mission Bay into the maze of the city," says Phil Owen, president of Mission Bay Development Group, at the newly open Seventh Street crossing.

Opening the gates

With roadblocks gone, Mission Bay is becoming an integrated part of San Francisco

BY K. DINEEN
San Francisco Business Times

Mission Bay Drive, the short, stubby road connecting Seventh and Berry streets across the Caltrain tracks, opened on Oct. 8 at daybreak without political speeches or ceremonial ribbon cutting.

But for Mission Bay residents, as well as those in Potrero Hill and Showplace Square across the tracks, the connection — the opening of which was delayed two years due to red tape — is as much symbolic as practical. It's another example of how the fledgling Mission Bay neighborhood is maturing and becoming integrated into the city fabric. Berry Street and King Street residents now have a back door to Mission Bay, instead of having to walk well out of the way to Townsend Street or Fourth Street.

"It's really starting to bring Mission Bay into the maze of the city," said Phil Owen, president of Mission Bay Development Group, which is building out the neighborhood infrastructure. "Mission Bay is starting to feel more like the rest of the city rather than a sort of private zone."

Suddenly, Berry Street residents in Mission Bay have a quick access to Showplace Square and the funky design showrooms and artist studios where Potrero Hill meets deep SoMa. Residents from the other side can more easily access Mission Bay's new courts — basketball, volleyball and tennis — not to mention the dog park and kayak pier.

Potrero Hill Roosters President Tony Kelly said his neighbors always have had a sense that they are stuck looking at Mission Bay's "back side" without an easy way to get to the "lovely" University of California, San Francisco, campus and new parks.

"Now it's actually like 'Right, maybe we are part of the city.'"
OPENING: Residents want to be part of fabric of city

CONTINUED FROM PAGE 23

same city," said Kelly. "Potrero Hill needs the open space. We are so deficient in terms of open space on this side of the freeway. Any measure we can take to increase the flow back and forth is appreciated!"

The new Seventh Street connection comes as residents anxiously await another Mission Bay benchmark: the opening of Fourth Street. The street, planned as Mission Bay's prime pedestrian-oriented retail boulevard, was supposed to be open in time for the opening of Urban Housing Group's 192-unit Stratta development at 333 Mission Rock last spring. But a delay in the shipment of street signal parts delayed the opening which is now likely at the end of November. Fourth Street will connect the UCSF campus to 16th Street and Mariposa Street.

Corrine Woods, who heads up the Redevelopment Agency's Mission Bay Citizens' Advisory Committee, said the Seventh Street connection is about safety as much as anything.

"It was fenced off and blocked off and people were cutting the fence running across the tracks," said Woods, who led the push to open the street.

Michael McCone, vice president of development for Intracorp, which developed the LEED silver 2GSI-unit Arterra project at 300 Berry St., said the connection is a benefit to residents.

"People who live here don't just want the units and amenities of Mission Bay, they also want to be part of the old fabric of the city," said McCone.

But McCone said some Mission Bay residents worry that the new street will draw an unusual amount of traffic onto Berry Street on days the Giants are playing at AT&T Park.

"Ball game traffic is the big question mark," he said.

Catherine Reilly, acting project manager for the city Redevelopment Agency, said the new road would likely benefit retailers on King and Berry streets.

"It's not just the parks but Safeway, the library, and everything else over there," said Reilly.

"Mission Bay is starting to feel more like the rest of the city rather than a sort of private zone," says Phil Owen.

Mission Bay Conference Center at UCSF

Reward your hard-working employees

Event space available for holiday gatherings.
Many affordable options available.

The Mission Bay Conference Center, located in San Francisco, offers dynamic and technologically advanced meeting space to welcome guests from across the world and across the city. The conference center consists of 12,500 square feet of flexible meeting space, state-of-the-art presentation equipment, and experienced event staff. Combined, Mission Bay Conference Center is the catalyst for communication, the inspiration for innovation—the venue for vision.
Incubator firm aims to reduce animal testing

BY RON LEUTY
San Francisco Business Times

Jet printer technology could help Solidus Biosciences Inc. take animals out of cosmetics trials and save drug companies millions of dollars.

The company — transplanted this summer into the Mission Bay Incubator Network from the fringes of Rensselaer Polytechnic Institute in upstate New York — says its technology will enable cosmetic companies to test the toxicity of their products without using animals. What’s more, said President and CEO David Rozzell, it could help drug developers make earlier and more predictive go/no-go decisions on discovery-stage compounds.

Solidus is one of the first in the QB3 network. An extension of the California Institute of Quantitative Biosciences at the University of California, San Francisco, the incubator has tapped unused space in the headquarters of Fibrogen Inc. in Mission Bay. Nine companies in all have near-market-rate space in the structure, with Solidus taking less than 500 square feet for its lab and sharing office space with other network companies in a large room.

Solidus isn’t new to an incubator setting. It grew up in an incubator on the edge of Rensselaer, where it collected grants from the National Science Foundation and National Institutes of Health to develop its lab-on-a-chip technology. It moved west in August to be closer to one of its founders, Douglas Clark, a professor of chemical engineering at the University of California, Berkeley.

The other founder, Jonathan Dordick, is a chemical engineering professor at Rensselaer. "It’s better to be in San Francisco — and it’s better to be in San Francisco — than in Troy, N.Y.," Rozzell said.

That became obvious when Solidus made its first hire. "In Troy, it was hard to get a qualified person. But here in two days we had more than 100 applicants and most of them qualified," Rozzell said.

The company now has four employees. Solidus uses technology based on the ink-jet printer for high-throughput screening of compounds for organ-specific toxicity. Instead of fine droplets, for one page, half a billionth of a liter of ink-jet printer technology could help Solidus use the technology for drug discovery.

"We can put a cell line for the kidney, liver — whatever organ on a chip," Rozzell said.

In all, 1,000 tiny wells sit on a DataChip, the equivalent of 11 standard plates with 96 wells. "We think this is more predictive than other cell-based assays," Rozzell said.

The DataChip and Solidus’ MetaChip, which tests the effect of a metabolite on a compound, could be a superior test for toxicity. "They have to have predictive tests," Rozzell said of cosmetics makers.

"In a bigger market, however, is the drug industry. It is in the $3 trillion-per-year process of testing preclinical compounds that Solidus could have a big impact on an industry looking to cut costs and speed development. "There’s time and money lost to toxicity," Rozzell said.

Updates on Mission Bay projects

UCSF CARDIOVASCULAR RESEARCH INSTITUTE

Status: Under construction; opening in 2011.
Location: Fourth Street, between Mission Bay Boulevard South and Nelson Rising Lane.
Size: 236,000 square feet.
Directors: Dean Ornish, chairman; Sharon Craig, connecting with the QB3.
Description: Researchers will move into the $254 million institute in 2011 — officially titled construction unfounded is delayed.

The new digs also will allow the CVRI, which celebrated its 50th anniversary last year, to recruit 25 more investigators.

The space, including an outpatient clinic focused on imaging, genetic testing, biomarkers and other predictive and preventive efforts, will bring together researchers scattered to different offices at UCSF’s Mission Bay and Parnassus campuses.

Nearly $150 million of the building’s cost is to come from philanthropy, including a $50 million gift from Atlantic Philanthropies, which has contributed to the UCSF Medical Center and the neighboring Helen Diller Family Comprehensive Cancer Center.

UCSF NEUROSCIENCE RESEARCH BUILDING

Status: Under review.
Location: Fifth Street extended, south of Nelson Rising Lane.
Size: 237,000 square feet.
Directors: John Quick, director; Patricia Churchland, director of the Institute of Neuroinformatics.
Description: The project is the equivalent of 11 stairwell plates with 90 primary clinical specialists and 50 lab people.

"TWith a budget of more than $200 million, the project is expected to move forward this year.

"We are looking to cut costs and speed development," Rozzell said.

"We are going to be able to do that," Rozzell said.

"What’s more, said President and CEO David Rozzell, it could help drug developers make earlier and more predictive go/no-go decisions on discovery-stage compounds.

"We are looking to cut costs and speed development," Rozzell said.

"It’s better to be in San Francisco — and it’s better to be in San Francisco — than in Troy, N.Y.," Rozzell said.

That became obvious when Solidus made its first hire. "In Troy, it was hard to get a qualified person. But here in two days we had more than 100 applicants and most of them qualified," Rozzell said.

The company now has four employees. Solidus uses technology based on the ink-jet printer for high-throughput screening of compounds for organ-specific toxicity. Instead of fine droplets, for one page, half a billionth of a liter of Ink-jet printer technology could help Solidus use the technology for drug discovery.

"We can put a cell line for the kidney, liver — whatever organ on a chip," Rozzell said.

In all, 1,000 tiny wells sit on a DataChip, the equivalent of 11 standard plates with 96 wells. "We think this is more predictive than other cell-based assays," Rozzell said.

The DataChip and Solidus’ MetaChip, which tests the effect of a metabolite on a compound, could be a superior test for toxicity. "They have to have predictive tests," Rozzell said of cosmetics makers.

"In a bigger market, however, is the drug industry. It is in the $3 trillion-per-year process of testing preclinical compounds that Solidus could have a big impact on an industry looking to cut costs and speed development. "There’s time and money lost to toxicity," Rozzell said.
‘Goldilocks space’ is brass ring for rising biotechs

BYRON LEUTY
San Francisco Business Times

A glimpse of San Francisco’s biotech future is tucked among printing, papermaking and photography firms in a gritty-looking former cannery less than a mile from the gleaming structures of Mission Bay.

Wave 80 Biosciences, launched six years ago from medical-device technology developed when founder Dan Laser was a Ph.D. candidate at Stanford University, knocked out a wall in the American Industrial Center building at Third and 20th streets and took an additional 1,000 square feet to build out its labs and hire more people.

“I’d like to say we’d keep (knocking out walls), but we’ve got neighbors,” joked Richard Goozh, the company’s senior vice president of finance and strategy.

In all, Wave 80 now has about 3,300 square feet in the Dogpatch neighborhood just south of Mission Bay — and if the city’s biotech backers have their way, successive waves of life sciences companies will incubate in similar space in Mission Bay and along a rezoned stretch of Third Street.

The trouble, some say, is actually finding that so-called “Goldilocks space” — not too big, not too small — for the city’s burgeoning community of growing life sciences companies. And they can’t hear to watch those young companies be chased away by cost and space issues.

“There’s no shortage of lab space right now, but no one is changing that space up,” said Douglas Crawford, associate director of the California Institute of Quantitative Biosciences, or QB3, which is nurturing startup life sciences companies at two locations in Mission Bay. “For brokers, small space management is costly.”

QB3’s Garage on the campus of the University of California, San Francisco, rents startup life sciences companies as little as 120 square feet of shared lab space at market rate, more than $60 per square foot.

But what happens to those companies that mature out of the space? Young companies that need 2,000 to 5,000 square feet have no easy answer, Crawford said.

This comes as leaders of the San Jose Biocenter move ahead with plans to double its life sciences incubator to 80,000 square feet.

But San Francisco’s ability to house maturing-but-still-young companies may be changing. In fact, some say, plenty of smaller space is available today.

Alexandria Real Estate Equities Inc. can roll out success stories of San Francisco biopharmaceutical companies keeping their colms in the city, even as they grow, said Alexandria partner Steve Richardson.

Presidio Pharmaceuticals, which is developing hepatitis C and HIV treatments, started in borrowed space on Market Street. It moved two years ago to Alexandria’s “science hotel,” which offers small office-lab suites at 1700 Owens St. in Mission Bay. Presidio this summer signed a lease for additional lab and office space in the building, Richardson said.

Another resident of the hotel could take 10,000 to 15,000 square feet.

BYRON LEUTY
San Francisco Business Times

BEAR DATA

The Data Center Specialists

- Virtualization
- Storage & Data Management
- Unified Communications
- Networking, Wireless & Security
- Database & Middleware

- Data Center Services
- IT Staffing & Placement
- Support Contract Management
- Hosting & Cloud Services
- Managed Services

800.718.BEAR www.Bdata.com

San Francisco • Santa Clara • Irvine • San Diego • Bakersfield • McLean, VA
GOLDILOCKS, CONTINUED FROM PAGE 28

squares feet, he said. "There's an ideal opportunity for these companies to limit space," Richardson said. "It's not like people have to make significant relocation decisions.

City leaders hope Eastern Neighborhoods will remain approved last November, will offer more development of biotech-friendly space in a roughly 10-block swath along the Third Street corridor. The area in the city's Central Waterfront district is roughly bordered by Interstate 280 and Illinois, Mariposa and 23rd Streets.

"That's well suited for companies for second generation or conversion space," said Todd Rulo of the city's Office of Economic and Workforce Development. "It's an exciting location to Mission Bay and to the Third Street light rail."

City officials are meeting with real estate developers, brokers and others about how to ensure that space is available for companies growing out of incubator space. "Part of our discussion is understanding what the barriers are — that's what happened with the development of Mission Bay," Rulo said.

Then there are companies like Wave 80, which set up in the American Industrial Center, which is bought and rehabilitated by developer Angelo Markoulides. Wave 80, believed to be the city's oldest life sciences company, among the more than 100 small and bootstrapping and able to have the wet (lab) work done elsewhere," said Wave 80's Goosh.

"It works for us because we're young and growing," said Wave 80's Goosh. "It's not like people have to make significant relocation decisions."

"It's not like people have to make significant relocation decisions," said Wave 80's Goosh. "It's not like people have to make significant relocation decisions."

It's not like people have to make significant relocation decisions."

"It's not like people have to make significant relocation decisions."
CONGRATULATIONS TO OUR CLIENT
Nektar Therapeutics

ON ITS SUCCESSFUL NEGOTIATION OF A
10-YEAR SUBLEASE FOR 102,283 SQUARE FEET
OF SPACE FOR ITS NEW HEADQUARTERS IN MISSION BAY

An empty pipeline delays new home development

BY J.K. DINEN
San Francisco Business Times

When 150 families move this fall into Bridge Housing's newly completed affordable Mission Walk project at 330 and 335 Berry St., it will mark the end of a Mission Bay housing bonanza that has produced some 3,000 condos and apartments in a little more than six years.

With nothing under construction, it will likely be more than two years until the next crop of new units is complete in the San Francisco neighborhood, where a total of 6,000 units are planned.

Dennis Serraglio, director of sales and marketing for Iosso Development, which controls land entitled for 1,700 units in Mission Bay, said the company hopes to resume construction on the 318-unit next phase of Radiance in the second half of 2010. On the affordable side, the next project on deck is Mercy Housing's 134-unit project south of the channel. Mercy is raising money for the $80 million development and will need to sell tax credits and obtain other public financing before breaking ground, according to project manager Jennifer Dolin. She said construction on the family apartments would start in early 2011 and leasing start in late 2012.

"It's a whole new neighborhood with great amenities — it's important that low-income families have the same access to parks and transportation as others," said Dolin.

Meanwhile, new opportunities to live in Mission Bay may be scarce for a few years. The 269-unit Arterra has about 40 units remaining, said Michael McCone, vice president of development for the project developer, Intracorp. The 99-unit phase one of Radiance is down to four available condos.

"There is still a little product to burn off before revenue gets to the point where capital is going to jump back into the game," said McCone.

With residential building on hiatus, some Mission Bay residents are focusing on something just as important: community building. As a planned neighborhood of nearly 3,500 units that has sprung up remarkably fast, Mission Bay has none of the institutions or political organizations that have been around for generations in most parts of the city.

But that is starting to change. In a surprise to some planners, the neighborhood is already home to 250 children, most of whom are under 5. More than 100 kids live at the Rich Sorro Commons, 60 at UCSF housing, 50 at Crescent Cove, and the rest sprinkled throughout, according to Catherine Reilly, acting Mission Bay project manager for the San Francisco Redevelopment Agency.

The unexpected number of builders has prompted a group of parents and activists to advocate for a playground, something that was not planned for the neighborhood until late 2011 or early 2012.

The group has applied for a $100,000 grant from the city and is hoping to start work on a playground next year. Event planner Sarah Davis, who lives with her 5-year-old on the Mission Bay houseboat she grew up on, said she has been shocked at the number of parents flocking to the area.

"Not only are they here, but we are realizing they are staying and want to raise their kids in Mission Bay," she said. "We are trying to build a community of children."

Mission Bay is a phenomenon place for children, she added. The parks offer everything from soccer to basketball to volleyball to tennis to kayaking. The new library is packed for Thursday afternoon story time. Yet, other things are missing. The neighborhood doesn't have a school; one is planned, but there's no timetable for building it. And the community center at the UCSF Mission Bay Community Center has 2,000 children on the waiting list.

"You are trying to build a transit-only neighborhood and you have parents driving to other neighborhoods for day care, schools and playgrounds, and then coming back to Mission Bay," said Davis. "We are using this playground as a stepping stone to explore the larger issue of what it means to be a family here.

And more kids will be coming soon. Bridge Housing interim CEO Lydia Tan said the nonprofit company received 650 applications for 130 family units at Mission Walk and thus far about 50 of the units are in contract. The first residents will move in by late November, Tan said.

"The redevelopment agency has done an incredible job of creating a truly diverse mixed-income community with all the support, all the services and the transportation you could possibly want," Tan said.
Redevelopment projects could employ more locals in southeastern San Francisco

By: John Upton

11/03/09 8:00 AM PST

The San Francisco Redevelopment Agency is preparing to ensure that its development partners hire more local workers for projects in the southeastern corner of The City.

The agency, which is preparing to spend $2 billion on construction projects over the next 15 years in southeastern San Francisco, sets minimum local hiring goals for projects that it funds.

“The current local hiring goal of 50 percent on agency projects is rarely met,” Redevelopment Agency Executive Director Fred Blackwell wrote in a memo to agency commissioners. “Over the last 18 months, redevelopment project sites have experienced a number of labor disputes resulting in picketing, work stoppages and near violence, largely as a result of community outrage in response to perceived and real unmet local hiring goals.”

Southeastern San Francisco is home to a large population of blue-collar workers who have been hard hit over the past year by the construction downturn and the recession.

Agency commissioners are scheduled to meet Tuesday to discuss strategies to boost the number of people it employs from within the community at redevelopment projects in the Bayview and Visitacion Valley neighborhoods and at the shuttered Hunters Point Naval Shipyard. http://www.sfredevelopment.org.Modules/ShowDocument.aspx?documentid=207

More from John Upton

- Port poised to keep fish guts out of Bay
- PG&E set to lose years-old bid to poach Ferry Building customers
- UCSF expansion making Mission Bay a Biotech giant
- Busy week of shipyard hearings
- Redevelopment projects could employ more locals in southeastern San Francisco