

May 8, 2008

Stem cell group gets its first building block

\$43 million is seed for research center

*BY TERRI SOMERS
UNION-TRIBUNE STAFF WRITER*

The fundraising has only just begun.

The San Diego Consortium for Regenerative Medicine yesterday received a \$43 million grant from the state stem cell institute to help build a research center in Torrey Pines where the region's scientists will attempt to unlock the mysteries of stem cells and treat disease.

While the consortium members were thrilled to receive the grant, it will cost \$115 million to build the research center. During the next several months, the consortium will be looking for other sources of grants, philanthropic gifts and loans to raise the additional \$72 million. The consortium, which includes University of California San Diego, the Burnham Institute for Medical Research, the Salk Institute for Biological Studies and The Scripps Research Institute, had asked for \$50 million. The group was one of 12 that were awarded \$271 million in construction funding yesterday by the stem cell institute's board.

“The fact that we want to build a stem cell research facility here in San Diego and the state is willing to give us \$43 million to help make that happen is pretty good,” said Louie Coffman, the consortium's vice president. “Forty-three million dollars is a pretty good head start.”

The grants are a part of Proposition 71, the \$3 billion stem cell research initiative that voters approved in 2004. It created the California Institute for Regenerative Medicine to distribute the grant money that makes the state the world's biggest funder of stem cell research.

Proposition 71 limits investment in infrastructure to 10 percent of its overall funding, or \$300 million.

This round of grants takes it to that threshold. But the funds will be leveraged to bring more than three times as much money into expanding research space.

As a condition of receiving this money, every grant recipient must raise additional funds equivalent to at least 20 percent of the grant amount. All plan to collect much more than their grant amounts.

The 12 grant recipients will contribute \$560 million to the construction projects, bringing the total statewide investment to \$831 million. Add the recruiting costs and other expenses, and the investment jumps to about \$1.1 billion.

“As a patient advocate, I am inspired by the amount of leverage California research institutions have contributed from their charitable donors and from their reserves,” said Robert Klein, chairman of the state stem cell institute.

The consortium plans to build a four-story building, with a basement, on 7½ acres at North Torrey Pines Road and Torrey Pines Scenic Drive. The land, owned by UCSD, is valued at about \$15 million.

Scientists from the four member institutions combine expertise on stem cells as well as bioengineering, computational biology, chemistry and clinical sciences. Seldom are scientists in those disciplines able to work together in one facility with the goals of unleashing the regenerative powers of stem cells and harnessing them for health care.

The center would be the first of its kind in the nation, where four institutes that have formed a nonprofit entity will share resources, staff and expertise.

The consortium hopes to break ground for the facility by the first quarter of 2009.

It first must complete an environmental impact report for the site, which is just east of the Torrey Pines Gliderport. That report then must be reviewed and approved by University of California regents and the California Coastal Commission.

A possible impediment to securing the approvals is a group of pilots who say the building would prohibit them from landing their fixed-wing gliders at the gliderport, which is on the National Register of Historic Places. The pilots have asked the State Historical Resources Commission to consider expanding the site's boundaries, although it remains uncertain whether the issue would stop construction.

Meanwhile, the consortium will be raising funds for the building.

An out-of-state philanthropist, whom the consortium declined to identify, has pledged to donate \$30 million, with \$10 million paid upfront. The remainder would be paid in \$2 million annual installments.

The consortium will seek grants from other sources to pay for some equipment for the facility, Coffman said. It anticipates seeking a loan to fund the rest while soliciting other donors, he said.

The consortium has planned extra laboratory space that it could rent to help pay off debt, Coffman said.