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Why this East Bay city is an emerging destination for biotech firms

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Serge Saxonov really didn't have to look far to find space for 10X Genomics Inc., his DNA sequencing technology company: He found all he needed in Pleasanton.

That's right. Miles away from the biotech hubs of South San Francisco, the Mission Bay enclave of San Francisco, Emeryville and Redwood City, Pleasanton is emerging as an address of choice for cash-sensitive startups and mega-companies alike.

Startup Unchained Labs [emerged from stealth mode Thursday with \\$25 million](#) and a home in Pleasanton and Transplant Genomics Inc. is setting up a lab in Pleasanton to process its molecular diagnostics test. Meanwhile, 10X Genomics has nuzzled into the space of Saxonov's former employer, genetic analysis technology company QuantaLife Inc., [which was bought in 2011](#) by **Bio-Rad Laboratories**.

Those companies may be attracted by rents that run \$14 or less per square foot. That is half some rates in South San Francisco, for example.

But Pleasanton also is home to huge facilities for Roche Molecular Diagnostics, an arm of Swiss drug giant Roche and giant life sciences equipment developer **Thermo Fisher Scientific Inc.** (NYSE: TMO).

For 10X Genomics, [which last month disclosed a \\$55.5 million fundraising round](#), Saxonov scouted lab space around the Bay Area, including the Peninsula. He settled on relatively inexpensive space where the company could easily expand. What's more, the reverse commute from San Francisco, Oakland and San Jose is a draw for employees.

"It seems out of the way, but it's sensible from everywhere in the Bay Area," he said. "It's not a deal breaker for anyone."

Pleasanton's proximity to Lawrence Livermore and Sandia national laboratories, which have made a big push in the past few years to spin out companies, is a big selling point, said [Scott Raty](#), president and CEO of the **Pleasanton Chamber of Commerce**. The rush for faster, cheaper and more portable DNA analysis also is fueling startups, Raty said.

"The expertise is here," said [Greg Hitchan](#), founder and CEO of Tri Valley Capital LLC.

The venture capital firm last year renovated 30,000 square feet of manufacturing space for an accelerator, called Innovate Pleasanton, for up to 15 companies. Tenants of the facility, which opened in late October, so far include a self-driving car technology company, a company focused on diesel engine efficiency and a private email company.

"We're agnostic to the vertical," Hitchan said.

No life sciences companies have jumped in yet.

Transplant Genomics, which hopes to start selling a noninvasive test to determine when tissue biopsies are needed for kidney transplant recipients, is building out a lab in Pleasanton that will hire about 20 people initially, said President and CEO [Stan Rose](#). The company, based in Brookline, Mass., has raised \$3 million to \$10 million, mostly from angel investors.

The East Bay has the right "supporting infrastructure," Rose said, and is more affordable. What's more, Pleasanton is close enough to the **Federal Express** hub in Oakland, which is important for a molecular diagnostics company receiving tissue samples overnight from around the world potentially.

"If things move faster than we think, we'll bring in more," Rose said. "There's a talent pool to draw on here."

Ron covers biotech, higher education & sports business.