

SIGN UP FOR EZPAY Start EZPay today and be automatically entered to **Win a new CAR, TRUCK or SUV!**

[CLASSIFIEDS](#) [JOBS](#) [HOMES](#) [CARS](#) [MARKETPLACE](#) [SHOP](#)

[HOME](#) [LOCAL NEWS](#) [SPORTS](#) [ISLAND LIFE](#) [ENTERTAINMENT](#) [BUSINESS](#) [TECHNOLOGY](#) [OPINION](#) [HELP PAGE](#)

Business

HonoluluAdvertiser.com
July 18, 2004



- [Business](#)
- [Hawai'i Stocks](#)
- [Hawai'i Mutual Funds](#)
- [Hawai'i Mortgage Rates](#)
- [Island Bank Rates](#)
- [Stock Quotes](#)
- [National Business](#)
- [Coming Events](#)
- [Trade Winds](#)
- [Local Resources](#)

Get Home Delivery
[Subscribe NOW!](#)

The Site
[Our Archives](#)
[Classifieds](#)

[Back Issues](#)

Featured News
[Nation/World News](#)
[Movie Showtimes](#)
[TGIF Calendar](#)
[Photo Gallery](#)
[Special Projects](#)
[Columnists](#)

Customer Service
[Help Page](#)
[Contact Us](#)
[E-mail News Alerts](#)
[Subscriber Services](#)
[Reader Services](#)
[Advertising Services](#)
[Make Us Your Start Page](#)

[Printable](#) version | [E-mail](#) this story

Posted on: Sunday, January 25, 2004

If it's built, will they come?

By [Andrew Gomes](#)
Advertiser Staff Writer

As Hawai'i developers race to satisfy overwhelming demand for homes, warehouses and time-share units, a local economic development organization is predicting the next big real-estate need: biotechnology lab space.

Early signs of a supply-and-demand imbalance have appeared and are inhibiting efforts to attract biotech companies to the state, according to Enterprise Honolulu.

The private nonprofit said at least eight biotech firms considered establishing themselves here last year but didn't because of a lack of leasable "wet lab" and "dry lab" space in Hawai'i.

Enterprise Honolulu hopes that business leaders in Hawai'i will see opportunity in creating commercial lab facilities that would foster the Islands' fledgling biotech industry and help diversify the economy.

But developing such space — which is expensive to build and requires easily reconfigurable areas with contamination-proof "clean rooms," high-speed data connections, backup power and specialized ventilation and waste disposal systems — is a tricky proposition.

To help convince Hawai'i developers, lenders and landowners of the potential, Enterprise Honolulu and the University of Hawai'i have arranged for industry panelists to share their experiences with clustered biotech parks in San Diego, which built its biotech industry over 20 years.

The symposium, from 7:30 a.m. to 1:30 p.m. Wednesday at the Sheraton



Structural engineer Rodney Yamamoto gets an overview of the University of Hawai'i Medical School project in Kaka'ako. The biomed research complex, due for completion in late 2005, is expected to attract private startups.

Deborah Booker • The Honolulu Advertiser

Waikiki, will include presentations by a developer, a venture capital executive, an architect, a biotech entrepreneur and an industry advisory firm.

John Strom, director of business development and technology for Enterprise Honolulu, said Hawaii's biotech industry, comprising a handful of small companies today, probably could use 1 million square feet of wet-lab space in the next three to five years.

"That would be a good start," he said. Lab users are expected to come from growth of existing companies, commercial spinoffs of university technology, new private startups and Mainland businesses interested in Hawaii's high-tech tax credits. All the companies, Strom said, will want to be near the UH biomedical research complex under construction and scheduled for completion by late 2005 in Kaka'ako.

"That's the core, that's the magnet," he said. "You build around that."

In San Diego, Strom said, developers have created seven major biotech parks with 14 million square feet of wet-lab space — 2 million square feet more than all the shopping center space in the area.

Strom also said Mainland wet-lab developers are making significantly higher investment returns compared with warehouse or commercial buildings.

The build-it-and-they-will-come pitch has been increasingly made in recent years by civic and government leaders in other cities trying to establish a critical mass for bio- tech enterprises.

Some areas, such as St. Louis, have generated significant results luring companies that in the past would more likely have gone to biotech development meccas such as San Francisco, Boston and San Diego.

Still, developers and lenders typically hesitate to take multi-million-dollar risks, especially on biotech space that is expensive to build, maintain and rent for tenants that can expand or fail quickly.

"We're just not sure how strong the demand is," said Christine Camp Friedman, managing director of Avalon Development Co., a Honolulu real-estate development and acquisition consulting firm. "Do you build it first and let the demand pick up, or is there a lack of space that has inhibited the growth of the industry?"

Lisa Gibson, a biotechnology adviser to Enterprise Honolulu, said companies

Bioscience facilities symposium

- **When:** Wednesday, 7:30 a.m. to 1:30 p.m.

- **Where:** Sheraton Waikiki

- **Speakers:** Guy Iannuzzi, chief executive of Mentus, a biotech marketing agency; Kennon Baldwin, biotech lab designer and president of McGraw/Baldwin Architects; David Winkler, a partner with major biotech lab developer Del Mar Partnership; and Elliot Parks, president of venture capital firm Ventana.

The keynote speaker will be Ivor Royston, a physician-scientist and co-founder of Forward Ventures, a firm investing in life sciences companies.

- **Cost:** \$20, or \$100 including the keynote presentation with lunch.

- **Information:** Chivas Dabbs at cdabbs@enterprisehonolulu.com or 521-3611, Ext. 12; or Joanne Ikehara at ikeharaj@hawaii.edu or 956-5507.

that sought to set up in Hawai'i, but passed, included Colorado-based BiophoriX, California-based HOPE Immune Pharmaceuticals and BioZak also of California. One prospective startup called Hawaii Surgical took its research to Texas. Some of the decisions, Strom said, were also influenced by limited local venture capital.

Ted Liu, director of the state Department of Business, Economic Development & Tourism, said the few biotech companies in business here have told him they would commit to taking roughly 100,000 to 125,000 square feet of space today if it were available.

"I think a lot of people are watching with great interest, and once things do start crystallizing, it's going to spur action among developers," he said.

Andres Albano Jr., vice president of development consulting for CB Richard Ellis Hawaii Inc., is skeptical about creating a critical mass of biotech firms and research space. "It's a risky business ... I don't see it here," he said.

Albano said it seems like high-tech companies that start in Hawai'i and become big successes eventually move to the Mainland. Real-estate developers, he said, also are wary of something similar to the dot-com bust that emptied millions of square feet of high-tech office space nationwide.

Financing would be difficult too, Albano said, adding: "Developers are funny. Nobody wants to be a pioneer. They'd rather see a record of success."

A couple of developers, however, have publicly expressed interest in building research lab space in Kaka'ako.

In late 2001, Kamehameha Schools disclosed conceptual plans for two low-rise buildings on 12 acres adjacent to the UH complex in Kaka'ako.

Hawai'i developer Marshall Hung of Waldron Ventures proposed leasing the site and developing the estimated \$100 million project with Mainland partners experienced with tech buildings.

Hung and a spokesman for Kamehameha Schools did not return calls last week.

Another proposal was made in late 2002 by Kajima Urban Development, or KUD, a U.S. affiliate of Japan's construction giant Kajima Corp., which owns Hawaiian Dredging Construction Co. and is building UH's Kaka'ako complex.

KUD plans to develop 150,000 square feet of private research and business incubator space as part of the Kewalo Marine Science Center that also includes an aquarium and 150,000 square feet of research space for UH.

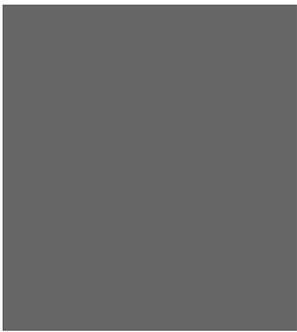
Marvin Suomi, KUD president and chief executive officer, said companies have expressed considerable interest in the research and incubator space near the UH complex.

A development timetable for the project hasn't been set by KUD, which signed a development agreement with the state last March. Suomi said a financial feasibility study and some design work is complete, but moving ahead depends

on lease agreements with UH and other approvals.

"We're as excited about Kaka'ako as we ever have been," he said. "There is a tremendous amount of interest in Kaka'ako and it's only growing."

Reach Andrew Gomes at agomes@honoluluadvertiser.com or 525-8065.



[▲ Top](#)

MINI SITE MAP

- LOCAL NEWS** : [Education](#) | [Obituaries](#) | [Weather](#) | [Traffic Hotspots](#) | [Town Hall](#) | [Military News](#) | [Discussion Boards](#) | [Live Chat](#) | [Columnists](#)
- SPORTS** : [Surf Report](#) | [UH Sports](#) | [High School Sports](#) | [Recreation](#) | [Sports Calendar](#) | [On the Air](#) | [Golf Report](#) | [National Sports](#)
- ISLAND LIFE** : [About Men/Women](#) | [Taste/Recipes](#) | [Faith Calendar](#) | [Health/Fitness](#) | [Comics](#) | [TGIF Calendar](#) | [Tube Notes](#)
- ENTERTAINMENT** : [TGIF Calendar](#) | [4-Week Guide](#) | [Movie Showtimes](#) | [Dining](#) | [Visitors](#) | [National Arts & Leisure](#)
- BUSINESS** : [Hawai'i Stocks](#) | [Hawai'i Mutual Funds](#) | [Hawai'i Mortgage Rates](#) | [Island Bank Rates](#) | [Stock Quotes](#) | [Moneywire](#) | [Coming Events](#) | [Trade Winds](#) | [Local Resources](#)
- TECHNOLOGY** : [Click!](#) | [New Products](#) | [Help & Advice](#) | [Byte Marks](#) | [National Tech News](#)
- OPINION** : [Letters to the Editor](#) | [Dick Adair's Cartoons](#) | [Submit a Letter](#) | [Submit a Commentary](#)
- HELP PAGE** : [Contact Us](#) | [Back Issues](#) | [Newspaper Subscriptions](#) | [How to Advertise](#) | [Frequently Asked Questions](#) | [About Us](#) | [Site Map](#) | [Terms of Service](#) | [Corrections](#)
- CLASSIFIEDS** : [Classified Ads](#) | [Cars](#) | [Homes](#) | [Jobs](#) | [Marketplace](#) | [Shop](#) | [Business Directory](#) | [Restaurant Guide](#) | [Coupons](#) | [Place an ad](#) | [Contact Advertising](#)

© COPYRIGHT 2004 The Honolulu Advertiser, a division of [Gannett Co.](#) Inc.
Use of this site indicates your agreement to the [Terms of Service](#) (updated 12/19/2002)

IF YOU SEE THE LIST OF SECTIONS BELOW, IT IS BECAUSE YOU ARE USING AN OLD BROWSER.
PLEASE UPGRADE YOUR BROWSER TO ACTIVATE SUBSTANTIAL BENEFITS TO YOUR NEWS-READING EXPERIENCE.

- | |
|---|
| Education
Obituaries
Weather
Traffic Hotspots
Town Hall
Military News
Discussion Boards
Live Chat |
| Surf Report
UH Sports
High School Sports
Recreation
Sports Calendar
On the Air
Golf Report
AP Sports |

[About Men/Women](#)

[Taste/Recipes](#)

[Faith Calendar](#)

[Health/Fitness](#)

[Comics](#)

[TGIF Calendar](#)

[Tube Notes](#)

[TGIF Calendar](#)

[4-Week Guide](#)

[Movie Showtimes](#)

[Dining](#)

[Visitors](#)

[AP Arts & Leisure](#)

[Hawai'i Stocks](#)

[Hawai'i Mutual Funds](#)

[Hawai'i Mortgage Rates](#)

[Island Bank Rates](#)

[Stock Quotes](#)

[National Business](#)

[Coming Events](#)

[Trade Winds](#)

[Local Resources](#)

[Click!](#)

[New Products](#)

[Help & Advice](#)

[Bytemarks](#)

[AP Tech News](#)

[Letters to the Editor](#)

[Dick Adair's cartoons](#)

[Submit a Letter](#)

[Submit a Commentary](#)

[Contact Us](#)

[How to Subscribe](#)

[How to Advertise](#)

[About Us](#)

[Site Map](#)

[Terms of Service](#)

[Corrections](#)



QUICK FIND

- [Autos](#)
- [Place an Auto Ad](#)
- [Newspaper Ads](#)
- [Coupons](#)
- [Personals](#)
- [Restaurants](#)

