

BioMarin to move into San Rafael Corporate Center

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BioMarin Pharmaceutical Inc. has signed a 10-year lease at the San Rafael Corporate Center and plans to move into an approximately 120,000-square-foot space there later this year, officials announced Friday.

The Novato-based biotechnology company is now determining which departments it will move to San Rafael and which will remain in its 420,000 square feet of space in Novato, BioMarin spokesman Bob Purcell said.

"The manufacturing will stay in Novato for sure," Purcell said. "Some of our labs will stay in Novato."

While the company plans to have "a very large presence" in both Marin cities, its headquarters will likely move to San Rafael, he said.

"We've been growing significantly — we've just hit over 1,000 employees worldwide," Purcell said. "BioMarin is definitely growing and this is just another signal of our growth and our commitment to the Marin area."

About 750 of BioMarin's workers are based in Marin County and the company is hiring for a range of positions. The company specializes in "orphan drugs," or medications that treat rare diseases.

Purcell noted that BioMarin must make tenant improvements before moving into its new space, and it's not clear yet when in 2012 the company will complete that work.

More than 350 BioMarin workers will occupy a vacant four-story building at 770 Lindaro St. and two floors at 790 Lindaro, said Wick Polite, president of property owner Seagate Properties of San Rafael.

Seagate finished both of those buildings in March 2010, Polite said.

BioMarin's move to the corporate center, which has a total of four buildings with 400,000 square feet of space, means the complex will be about 85 percent full, Polite noted.

"The fact that BioMarin is moving their corporate headquarters there is a reflection of the (center's) high-quality image," Polite said.

He added that "the proximity to downtown with all the amenities" and "easy access to ... public transportation" were also big draws.

Seagate plans to complete the development's final phase, which includes an 86,000-square-foot office building at 791 Lincoln Ave. and a parking structure at the corner of Lincoln Avenue and Second Street, in three to four years, Polite said.

"BioMarin actually has an option to take the last building," he noted.

Steven Leonard, one of two Cassidy Turley brokers who represented Seagate, called the deal Marin County's largest private lease signed since 2008, when ImageMovers Digital rented more than 100,000 square feet at Hamilton Field in Novato.

BioMarin's new office space is the latest benchmark in its rapid growth in recent years.

In November the Food and Drug Administration gave BioMarin the go-ahead to begin manufacturing in a facility at 46 Galli Drive in Novato, which the company expanded by 21,800 square feet in April 2010.

The \$60 million project nearly tripled BioMarin's manufacturing capacity, all of which is based in Novato, to 40,000 square feet of clean room space.

The company announced in June that it would pay \$48.5 million to acquire a 10-acre manufacturing plant in Ireland from Pfizer. The property, in Shanbally about 160 miles southwest of Dublin, contains 133,000 square feet of floor space with room to double it, BioMarin said at the time.

Liana Moussatos, an analyst at Wedbush Securities Inc. in San Francisco, attributed BioMarin's recent growth to the world-wide success of Naglazyme and other drugs and noted that additional products are still in development.

"Last year and this year they've been reinvesting their profits into long-term growth and so with each product ... they're going to need more administrators," Moussatos said.

She predicted that BioMarin's growth will "be more steady for this coming year."

However, "if they keep having success in the clinic, then all bets are off," Moussatos said. Should that growth occur, the company could be looking for even more space in 2013, Moussatos noted.

"BioMarin is a rapidly growing company with multiple successful biotech orphan drugs as well as one of the fastest growing (research and development) pipelines for a mid-cap biotech company," said Michael Yee, an analyst with RBC Capital Markets in San Francisco. "I absolutely expect this company to continue to do well based on its global expansion of its existing orphan drugs across the globe as well as a number of its mid- and late-stage pipeline drugs."

One drug in development, GALNS, could "potentially nearly double the company's revenues" over the next five to six years if all goes well with clinical trials this year, Yee said.

San Rafael officials believe BioMarin's presence downtown will boost business for nearby restaurants and stores, Mayor Gary Phillips said.

"We're very excited about having BioMarin come to the corporate center," Phillips said. "It's going to add a lot to downtown. We're going to experience an influx of really good employees and the impact to the downtown I think is going to be significant.

"It's going to be a good location for them too," he added. "It's centrally located near the transit center."