

# New group seeks to transplant San Diego's tech model to Riverside County

By **BRADLEY J. FIKES** [bfikes@nctimes.com](mailto:bfikes@nctimes.com) | Posted: Sunday, October 16, 2011 12:00 am

Hoping to emulate how San Diego County built up its technological base, Southwest Riverside County business and government leaders are forming a business group to encourage entrepreneurship. The group is to encompass Southwest County and the area up to and including the city of Riverside.

The goal is to support inventors and those with ideas for new businesses, said Bruce Coleman, economic development director for the city of Murrieta, and Aaron Adams, Temecula's assistant city manager. The group, which is still formally defining its role, hasn't yet chosen a name.

"We recognize that this area will grow as a result of entrepreneurs," Coleman said. "The key is to help identify them."

Murrieta is also promoting inventors within the city; it has formed a new [inventors and entrepreneurship group](#) that holds its first meeting on Monday, Oct. 17. But while individual cities still compete on some economic development areas ---- especially to attract sales tax-generating businesses ---- Adams and Coleman said they understand that cooperative efforts for the Southwest County region hold more promise.

"The reality is you need to work regionally in cooperation, and Murrieta and Temecula really represent the core of Southwest Riverside County," Coleman said. "We have very similar demographics. Each of our cities is over 100,000 in population, we have very similar incomes, they're professional, middle-class communities. So there's a lot to be doing together."

Murrieta, Temecula and to a lesser extent Lake Elsinore play host to companies in core high-tech and biomedical areas, the backbones of San Diego's tech economy. They include [Abbot Vascular](#)'s large medical device manufacturing plant in Temecula; medical jobs in Murrieta at Loma Linda Medical Center's location, and manufacturing and aviation companies in Lake Elsinore.

What the region doesn't have is a recognizable business program to bind all of these efforts together, give them a common sense of identity, a place to mingle and help in finding direction.

## Role of Academia

San Diego County's tech economy got that direction through the nonprofit group [Connect](#), which has carved out its own role in San Diego business legend as a catalyst that helped technology migrate from academia to industry. Connect holds frequent events that give academic types and financial types a convenient place to mingle and plan. Business leaders including Qualcomm co-founder Irwin Jacobs [credit Connect](#) with helping them succeed.

Formed by UCSD Extension in 1985, Connect [dropped its UCSD affiliation](#) in 2005 so it could operate more independently.

As Connect's origin indicates, San Diego County's prowess in biotechnology and telecommunications traces largely to UCSD. The county's first biotech company, Hybritech Inc, was formed by university employees. So was Qualcomm Inc., which today has a market value of more than \$90 billion, making it by far the most highly valued company in San Diego County, and Rancho Bernardo's Cymer Inc., a powerhouse in microchip manufacturing machinery.

Like San Diego County, Southwest Riverside County's new group is tapping into the expertise of the local University of California campus, namely, UC Riverside. That's the reason the group includes the city of Riverside in its geographic reach, Coleman said.

Coleman said he's especially interested in UC Riverside's role in biomimicry, a scientific field that adapts technologies Nature endowed on living creatures to human needs.

For example, Coleman said, Murrieta officials and Nimbus Water, a company located in Murrieta, plan to meet with UCR professor and biomimicry researcher [David Kisailus](#), to discuss biomimicry applications the company might be able to use.

Cal State San Marcos, which operates a campus in Temecula, is also involved, Coleman said. Through CSUSM's "[Senior Experience](#)" program, Murrieta is investigating how rich individuals, or "angel" investors, might be encouraged to operate in the region to fund new companies.

In coastal Southern California, such a group of angel investors is active from San Diego to Los Angeles, the [Tech Coast Angels](#). These investors typically put in tens to hundreds of thousands of dollars. Their funding helps companies grow beyond the early stages of investment by "family and friends" to a more mature stage where they are ready to seek larger sums from venture capital firms.

### **Renewed interest**

But transplanting the Connect formula to Riverside has been tried before, with disappointing results. In 1998 Connect established a Temecula branch. Temecula Connect, as it was named, [affiliated](#) with UC Riverside in 2001. But the group never took hold the way that it did in San Diego, and it eventually expired.

Another effort to create a technology-based economy in the Inland Empire, called Core21, also foundered. That Riverside-based group attempted to direct research from local universities into forming companies, providing good jobs for the region's economy.

There's more private sector interest this time around, said Temecula's Adams and Murrieta's Coleman. Moreover, the area is more mature, with a larger population base.

"Our communities have grown up over that time, and there's industry here, and there's an entrepreneurial spirit," Adams said.

The private sector leader of the group hasn't been officially named yet, Coleman and Adams said, but the consensus is that it's [Steve Austin](#), partner in the accounting firm Swenson Advisors. He's chairman of the group's steering committee of business, government and university leaders.

Austin's experience gives him plenty of preparation. He's active both in San Diego and Southwest County, shuttling between the company's Murrieta and downtown San Diego offices. And Austin was also involved with the previous effort to spur tech entrepreneurship with Temecula Connect.

"With the new technology and entrepreneurship that's growing around Riverside County, there's a strong interest," Austin said.

### **Awakening from hibernation**

Austin said he ended up spending more time in Swenson's San Diego office than anticipated, limiting his time for the previous group. And nobody stepped in to champion the program.

"In all candor, I was probably the person with the highest level of enthusiasm for that (the earlier group), and as result, it went into hibernation," Austin said.

This time, he says, there's more participation from a wider array of people, and interest is greater.

"It's got a much broader base already, of city government interest, the (Southwest Riverside) [EDC](#), is very involved, businesses, the attorney ..." Austin said. "I can't underscore enough that private enterprises are going to raise the capital and drive the process, with governments and universities facilitating. The reason Connect is so successful is because of the private sector."

Connect in San Diego recently helped Southwest County by successfully asking for a state-sponsored innovation hub, or "iHub," designation to be [expanded from San Diego to include Southwest County](#), Austin noted. The iHub designation qualifies participants to apply for funding from the national economic stimulus program.

"One of the great things about Riverside County is that it's within an hour's drive of San Diego," Austin said. "So a lot of the programs and benefits of San Diego Connect can be pretty easily transplanted into the Riverside area."

Austin said those transplantable programs include Connect initiatives such as a CEO leadership program, and its "[Connect with Connect](#)" networking social event, which next takes place Oct. 20 in La Jolla.

"We hope to announce in the next 60 days the (group's) formation, the reigniting of this program," Austin said.

For more information on the group, contact Bruce Coleman at [bcoleman@murrieta.org](mailto:bcoleman@murrieta.org) or 951-461-6021.