

**BizCosts®**  
**The Boyd Company, Inc.**  
Location Consultants  
Princeton, NJ

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**THE COST OF OPERATING  
A BIOTECHNOLOGY FACILITY  
DETAILED IN NEW BOYD BIZCOSTS® REPORT**

A recently completed BizCosts® Report compares the cost of operating a typical biotechnology facility in the top 60 U.S. and Canadian biotech locations. BizCosts® is a registered trademark of The Boyd Company, Inc., of Princeton, NJ, and represents the firm's proprietary operating cost data bank used to shape its domestic and international corporate site selection recommendations.

Founded in 1975, Boyd ([www.theboydcompany.com](http://www.theboydcompany.com)) provides independent location counsel to leading U.S. and overseas corporations. Devoted exclusively to corporate mobility, The Boyd Company is recognized as the nation's premier authority in comparative business cost analysis.

Total annual operating costs in the new BizCosts® Report are documented for both a new construction assumption and a lease assumption. Construction assumption costs in the study range from a high of \$22.4 million in San Francisco, CA, to a low of \$15.3 million in Oklahoma City, OK. For the lease assumption, costs range from a high of \$19.4 million in San Francisco, CA, to a low of \$14.2 million in Montreal, QUE.

***Comparative Biotechnology Locations***

For purposes of comparative economic analysis, major geographically-variable operating costs have been projected for a series of the top 60 current and emerging biotech sites in the U.S and Canada as determined by Boyd. The 60 comparative U.S. and Canadian locations included in the BizCosts® Report are detailed below.

**COMPARATIVE BIOTECH LOCATIONS*****New England & Quebec Region:***

- Boston, Massachusetts
- Fairfield County, Connecticut
- New Haven, Connecticut
- Manchester, New Hampshire
- Portland, Maine
- Providence, Rhode Island
- Burlington, Vermont
- Montreal, Quebec

***Mid-Atlantic Region:***

- Rochester, New York
- Princeton, New Jersey
- Middlesex/Somerset/Hunterdon, New Jersey
- Philadelphia, Pennsylvania
- Lehigh Valley, Pennsylvania
- Pittsburgh, Pennsylvania

- Buffalo, New York
- Wilmington, Delaware

***Southeast Region:***

- Baltimore, Maryland
- Montgomery County, Maryland
- Raleigh/Durham, North Carolina
- Memphis, Tennessee
- Atlanta, Georgia
- Birmingham, Alabama
- Palm Beach County, Florida
- Tampa, Florida

***East North Central & Southern Ontario Region:***

- Cleveland, Ohio
- Columbus, Ohio
- Ann Arbor, Michigan
- Indianapolis, Indiana
- Madison, Wisconsin
- Milwaukee, Wisconsin
- Chicago, Illinois
- Toronto, Ontario

***West North Central Region:***

- St. Louis, Missouri
- Columbia, Missouri
- Kansas City, Missouri/Kansas

- Minneapolis/St. Paul, Minnesota
- Rochester, Minnesota
- Des Moines/Ames, Iowa

***Southwest Region:***

- Oklahoma City, Oklahoma
- San Antonio, Texas
- Houston, Texas
- Dallas, Texas
- Austin, Texas
- New Orleans, Louisiana

***Mountain Region:***

- Denver, Colorado
- Colorado Springs, Colorado
- Phoenix, Arizona
- Tucson, Arizona
- Las Vegas, Nevada
- Salt Lake City, Utah
- Provo, Utah
- Albuquerque, New Mexico

***West Coast Region:***

- San Jose, California
- San Francisco, California
- Sacramento, California
- San Diego, California

- Orange County, California
- Seattle/Bellevue, Washington
- Portland, Oregon
- Vancouver, British Columbia

Annual operating costs in the BizCosts® Report are scaled to a representative 100,000 sq. ft. biotech facility employing 200 workers. The study analyses all major geographically-variable operating costs critical to the biotech site selection process, including labor, utilities, industrial lease rates, construction, property and sales tax, corporate travel, and others.

**The Boyd Company** provides independent plant and office location recommendations to clients such as: Time, Inc.; PepsiCo.; Mayne Pharma; Pratt & Whitney; Pitney Bowes; United Technologies; Philips; Hercules; Rhone-Poulenc; and many others. The firm's BizCosts® Reports are recognized as definitive cost benchmarks by corporations worldwide. In today's softened U.S. economy, comparative operating costs are ruling the site selection process. Boyd clients are concluding that often the only way to improve the bottom line is on the cost side of the ledger, not the revenue side.

Operating cost differentials between an acceptable location and an optimum biotech site can be very substantial, often running into millions of dollars per year. Itemized factor-to-factor annual operating cost comparisons in the BizCosts® Report are detailed in the following table.

**BizCosts®: What It Costs To Operate A Biotech Facility (1)**

	<b>San Francisco CA Metro Area</b>	<b>Chicago IL Metro Area</b>	<b>Philadelphia PA Metro Area</b>	<b>Atlanta GA Metro Area</b>	<b>Montreal QUE Metro Area</b>
Nonexempt Labor					
Weighted Average Annual Earnings	\$54,453	\$50,745	\$49,495	\$46,162	\$47,075
Annual Base Payroll Costs	\$10,890,600	\$10,149,000	\$9,899,000	\$9,232,400	\$9,415,000
Fringe Benefits	\$3,920,616	\$3,653,640	\$3,563,640	\$3,323,664	\$1,883,000
<b>Total Annual Labor Costs</b>	<b>\$14,811,216</b>	<b>\$13,802,640</b>	<b>\$13,462,640</b>	<b>\$12,556,064</b>	<b>\$11,298,000</b>
Electric Power and Natural Gas Costs	\$471,540	\$345,660	\$468,720	\$357,404	\$435,912
Amortization Costs	\$5,422,114	\$3,061,452	\$2,545,645	\$2,129,582	\$2,811,798
Property and Sales Tax Costs	\$1,436,921	\$1,414,134	\$1,306,846	\$1,027,061	\$2,183,165
Lease Costs	\$3,264,000	\$2,245,000	\$2,448,000	\$2,113,440	\$1,326,000
Heating and Air Conditioning Costs	\$123,470	\$280,000	\$348,272	\$243,273	\$344,595
Corporate Travel Costs	\$149,848	\$161,284	\$149,428	\$143,493	\$145,845
<b>Total Annual Geographically-Variable Operating Costs</b>	<b>\$22,415,109</b>	<b>\$19,065,170</b>	<b>\$18,281,551</b>	<b>\$16,456,877</b>	<b>\$17,219,315</b>
<b>Total Annual Geographically-Variable Operating Costs (</b>	<b>\$19,438,824</b>	<b>\$17,438,334</b>	<b>\$17,357,060</b>	<b>\$15,912,424</b>	<b>\$14,150,352</b>

NOTES:

(1) Includes all major geographically-variable operating costs for a 200 worker 100,000 sq. ft. biotech facility. Start-up and relocation costs not considered.

Source: BizCosts.com

***Additional Information and the Full BizCosts® Report***

Additional information as well as the complete and downloadable BizCosts® Report are available for purchase at the BizCosts® website:

[www.BizCosts.com](http://www.BizCosts.com).