

# **Oregon Council for Knowledge and Economic Development**

## **4th Quarter 2004 Meeting**

**December 10, 2004**

**1:00-4:00 pm**

**Oregon Health Sciences University  
Doernbechers Children's Hospital**  
SW Veterans Hospital Road, Portland OR  
Collins/Goudy Conference room. 11<sup>th</sup> Floor

## **Introduction, Roll Call, and Approval of Minutes**

Meeting was called to order by Allen Alley at 1:10 pm. Roll call was taken and introductions were made.

Scott Gibson made a motion to approve the minutes from the last meeting. Rep. Johnson seconded it. Minutes were unanimously passed.

MardiLyn Saathoff, Governor' Office, gave an overview of the Governor's Budget and the three budget items pertaining to Innovation: \$ 7 million in lottery funds for Oregon Nanoscience and Microtechnologies Institute (ONAMI); \$2 million for a commercialized research fund, and \$21.7 million for base funding of the Engineering Technology Industry Council (ETIC). Bruce Shafer provided additional information on ETIC's budget of \$21 million. A summary sheet was included in packet information given to OCKED council members. Council members thanked Marty Brantley, OECDD and Mardilyn for their efforts in keeping this a high priority in the Governor's budget.

Allen acknowledged that OCKED has achieved success in getting a consistent message out, as evident by the Governor's budget proposal. He stressed the importance of all to support the proposal and not fragment the efforts. Rep. Johnson noted the importance of bolstering efforts and not fragmenting as happened at the end of the last session, as effects can be fatal. She recognized that prioritization and modifications were likely to occur. Mardilyn agreed, adding that negotiations needed to occur with the entire group's approval.

Discussion ensued regarding the best way in which to advocate for the innovation economy efforts throughout the legislative session. Rep. Johnson suggested that a clear and concise set of messages be developed and that the group have one or two central figures or go-to persons in which the legislature can consistently contact. Pat Scruggs

agreed to work with the Chair and other council members on preparing this material.

Ann Bunnenburg made a motion for OCKED to accept and support the three innovation economy items identified in the Governor's recommended budget as a single package. Scott Gibson seconded the motion. The motion passed unanimously

A discussion occurred concerning the 40% cut OHSU had incurred in the Governor's budget. MardiLyn Saathoff explained the Governor's reasoning behind the hard choice to cut the OHSU budget. Allen Alley commented that the cut could be viewed as money being taken away from a successful enterprise where investments are being highly leveraged. Treasurer Edwards asked if the cut would affect the economic development efforts of OHSU. Discussion indicated that the initial cuts would not affect economic development but that future cuts and programs would be harmful. However OCKED members were concerned that the cut could be interpreted as the state's lack of support just when research is increasing in commercial application and that prior investments need protecting and that this decision did not bode well for ONAMI. Pat Scruggs suggested assembling a small group to draft a letter to the Governor concerning the importance of ongoing support for state research centers including OHSU.

## **Preparation for Legislation Session**

Pat Scruggs announced that OCKED and AOI were in discussion about developing a series of "Innovation Days at the Capital" with periodic lunches or other events to showcase innovation in various regions and industries throughout the state. Allen suggested (with most agreeing) that dinners were also very effective. Allen suggested tailoring the message to specific subjects with a dinner. Edwards noted that the message that Intel gave at the Oregon Business Plan regarding the importance of higher education, advanced degrees and commercialized research provided an opening for this.

The Oregon Innovation Index draft was discussed. The index consists of eight measures comparing Oregon with other states. Input was solicited. Andy Clark presented the Higher Education Technology Transfer (HETT) Report. A HETT Board meeting was held Oct. 5<sup>th</sup> where the Board agreed to the support of a commercialized research fund and the establishment of Oregon Innovation Council. The HETT Board also noted that even with a new commercialized research fund there were still technology transfer activities that remain under-funded in Oregon universities and additional focus must remain on ensuring universities can cover the costs associated with the growing success of research efforts. A copy of the report was

presented to attendees. MardiLynn commented that the universities need money to do tech transfer. Scott added that patenting fees are not covered as part of tech transfer activities.

## **Committee Updates**

Skip Rung provided an update on ONAMI. Draft articles, bylaws and the establishment of a 501c3 are underway. ONAMI expects to have approval endorsement to file for incorporation in January or February. ONAMI would then be a destination for state research dollars. Skip provided a recent summary of grants and sponsorship leveraged by the initial \$1 million in state funds. This money was matched by \$3.7 million from the 3 universities and \$8 million in private support. This has resulted in an additional \$34 million raised in federal grants. This reflects alignment and success with congressional delegation, aided by PNNL partners. The budget was scaled to \$7 million for the upcoming biennium to develop research capacity. Money would be spent on start-up packages for 6 high profile researchers, matching funds on proposals, support of facilities (ex. Use of equipment to develop prototype kidney dialysis machine).

Scott Gibson gave an update on the capital and business formation committee. Scott noted good progress with the operations of the Oregon Investment Fund. He also met with the deans of Babson College and Willamette University to talk about the possibility of Babson opening an entrepreneurial program in Oregon similar to what Babson provides to Intel. Allen Alley suggested that smaller companies could also take advantage of the program.

## **Innotech**

Peggy Miller spoke about Innotech, a technology showcase where businesses and experts interact at a 2-day event held at the Oregon Convention Center. Last year, 2,000 business leaders visited 90 technology exhibitor booths and attended 75 educational sessions.

Allen asked about the deliverable/purpose of Innotech. Peggy answered that it serves as a networking forum, provides discussions about technology topics and serves as an educational tool for the public.

Pat suggested that natural resource industries (like food processors) and renewable energy are considered as industries with high levels of innovation.

## **International Business Forum on China**

Mike Doyle & Youqing Ma presented an overview of the international trade programs in Oregon. The programs fall into 2 tracks – market development and training. Pat Scruggs noted that a joint working group has been suggested by OCKED members and that the group is seeking input for focus and specific outcomes. Rep. Johnson commented that there is little staff that can be devoted to extra projects and certainly not enough resources for another full committee. Marty Brantley responded that this would help establish a better linkage between OCKED & international trade – to help zero in on countries and industries with the greatest return for Oregon.

## **Brand Oregon <<<<<<<**

Debby Kennedy presented a PowerPoint on Brand Oregon. Victoria Pruett and Michelle Godfrey of OECD were in attendance to discuss business recruitment efforts. Brand Oregon is interested capturing the state's knowledge assets to use in marketing and recruitment efforts.

Brand Oregon seeks to provide a consistent look and feel to market various state assets. Efforts began with 3 focus areas: tourism, agriculture and general business recruitment. Tourism and agriculture ads have run over the past year and economic development ads will begin running in January. The brand concept and ads were received favorably. Suggestions were made to place the ads in alumni magazines and identify targeted placements.

Ann Bunnberg raised the concern with the state's education system and its effect on recruiting companies (and people) to Oregon. Brand Oregon needs to address this fact. Other OCKED members commented that branding Oregon for technology companies is as much about recruiting workers as it is people.

## **Oregon Health Science University Virtual Tour**

Dan Dorsa and Arun Pradhan provided an update on OHSU's research and commercialization efforts. OHSU is leveraging funds to hire PIs. To date, new hires include PIs in Anesthesiology, Pulmonary/Critical Care, Orthopedics, Surgical Oncology, Biomedical Engineering, Oral and Maxillofacial Surgery, Dentistry, and Gerontological Nursing. Clinical and translational activities included hiring a director for the Practice Network, establishing HERON – state-wide infrastructure, new research facilities at Eastern Oregon University and a Support Center for Rural Health. Plans are in the works to establish new programs and create research capacity, reconfiguring OHSU's hospital in the process. Technology commercialization for 2004 consisted of \$260 million in research funds, 105 disclosures, 8 patents issued, 43 licenses issued and 7 new ventures.

As of 2004, a total of 51 companies have spun out of OHSU. Examples of startup companies were given. Discussion centered on the economic (and research) impact of OHSU to the state's economy.

## **Public Comment**

Dave Zepponi made a plea to consider traditional industries as they do foster innovation and rely on technology transfer activities.

The next meeting will be held the end of February in Salem.

## **Adjourn**

The meeting adjourned at 4:00pm.

### **Members Present:**

Allen Alley  
Ann Bunnenberg  
Rep. Tom Butler  
Randall Edwards  
Scott Gibson  
Rep. Betsy Johnson  
Keith Larson  
Duncan Wyse

### **Staff:**

Pat Scruggs  
Krissa Wrigley

### **Other Attendees:**

Sandra Shotwell  
Lynnor Stevenson  
Bob Duehmig  
Victoria Pruett  
Skip Rung  
Mike Driscoll  
Larry Simonsmeier  
Ron Adams  
Rod Quinn  
Dave Zepponi  
Brian Smith  
Bill Newman  
Mike Doyle  
Kate Richardson  
Andy Clark  
Don Douglas  
LaVonne Reimer  
MardiLyn Saathoff  
Connie Green  
Bruce Shafer  
Chris Bright  
Don McClave  
Peggy Miller  
Jack Isselman  
John Gorlorwulu  
Michelle Godfrey  
Donald Krahmer

Debby Kennedy  
Craig Sheward  
Marty Brantley  
Daniel Dorsa  
Arun Pradhan  
Youqing Ma