

Full Council Meeting

DRAFT

May 14, 2019

Portland, Oregon

Attendance

Members Present: Jenn Lynch, Chair, Portland Seed Fund; David Almodovar; Piper Crowell, Nike; Ian Lombard, BroadPeak Capital; Vidya Spandana; Chris Harder, Business Oregon; Jim Bauer, OAICU; Chad Olney, Pacific Crest Federal Credit Union; David Conover, UO

Staff Present: Mark Brady, Nate Wildfire, Kate Sinner, Ruth Hall, Nick Batz, and Kim Herb, Business Oregon

Guests: Dan Dorsa, OHSU; Dylan Kruse, Sustainable NW; Travis Woodland, PSU; Skip Rung, ONAMI; Cindy Dahl, ONAMI; Jennifer Fox, OTRADI; David Kenney, VertueLab; Gordon Hoffman, NW Technology Ventures; Rachel Dreilinger, Neuramedica; Anna Brown, Stark Street Materials Corporation; Brian Wall, OSU

Jenn Lynch called the meeting to order at 1:07 p.m.

Welcome, Introductions, Minute Approval

Introductions were made around the room and on the phone. Jenn Lynch and Piper Crowell both briefly described their backgrounds and interests in the Oregon Innovation Council's (OR InC's) work since they were both new to the council. There were no meeting minutes that needed approval.

Legislative Update

Nick Batz, Policy & Government Affairs Manager for Business Oregon, provided the group with an update on the Legislative session. He began with a description of the overall budget situation and discussions in the Legislature then talked about bills relevant to OR InC. In particular, Nick discussed the agency's budget bill (SB 5524), which includes the OR InC budget request. He also provided an update that the OR InC statute fix bill had passed both the Senate & House and was on its way to the Governor's office. Kate Sinner provided a description of the things that were being fixed via that bill. Finally, Nick provided an update on the status of the University Innovation Research Fund that we requested in partnership with the universities.

Overview of 17-19 OR InC Awards

Kate Sinner kicked off a recap discussion on the grant awards provided by OR InC this biennium by reminding the group how things had been changed this biennium, the reasons for the programs in which grants were awarded and the amounts spent in each program. Mark Brady then walked the group through two specific programs after letting the group know that we were not going to be discussing the signature research centers (SRCs) today since they would be the focus of a discussion at the council's July meeting.

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HIOP Grants

Mark reminded everyone of the purpose and structure of the High Impact Opportunities Projects (HIOP) program. He then referred council members to a table in their packets that showed the awardees, project names, grant amounts and brief descriptions of the projects. In total this biennium, OR InC received 66 proposals for HIOPs: 27 were feasibility studies and 39 were implementation projects. Of those, 15 awards were made: six feasibility studies and nine implementation projects. The awards totaled approximately \$5.2 million in funds. The awarded HIOPs were in the following industries:

- Food & Beverage = 7
- Advanced Manufacturing = 4
- Bioscience = 2
- Natural resources=2

Mark then invited Dylan Kruse up to talk about the HIOP project that he was managing for Sustainable Northwest called Scaling Juniper Markets. Dylan expressed appreciation for the grant award then talked about the work being done under the grant, the successes that have already been achieved because of the grant and the work still to be done. He also brought samples of finished products made from juniper to show the group. The primary markets for the products at this time are landscaping and decking although they have and are exploring several other options.

SBIR Support Program

Mark provided background on the SBIR Support Program. He reminded the group that the program had two components: application support grants and matching grants. There have been 32 application support grants provided so far for a total of approximately \$140,000. 25 of those were to help companies with Phase I applications, while seven were to help with Phase II applications. Mark reminded the group that the SBIR review process can take a while so it is not possible to tell yet exactly what federal awards will go to all the companies who got these grants, but he told the group that four have already been awarded federal grants totaling about \$2.5 million. Mark reminded the group that the simple return on investment from this program last biennium, for which all the data is in, was approximately 43:1. Mark also said that there would likely be a few more of these grants provided with the little bit of funding left in the OR InC budget.

Mark described the matching grant portion of the program. 25 of these grants were awarded this biennium with one more to be considered later today. Of the 25, 10 were matches for Phase I awards while 15 were matches for Phase II awards. In total, the amount provided in these grants is approximately \$2.6 million. The companies receiving awards were in the following industries:

- Bioscience: Devices = 9
- Bioscience: Therapeutics = 5
- Dig. Health/Act. Lifestyle = 4
- A Dig. Health/Act. Lifestyle = 4
- Advanced Manufacturing = 4
- Clean tech = 2
- Consumer products=1

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Mark mentioned that the list may seem weighted toward bioscience, but he pointed out that the federal awards are weighted toward bioscience so it makes sense to see the same trend at the state level. Mark then introduced Rachel Dreilinger to talk about her matching grant project.

Rachel's company is Neuramedica, and they are working on a dissolvable clip to be used in spinal and brain surgeries to seal the dura mater. Rachel thanked the group for the awards and talked about the work being done with the funding. She also talked about their roadmap to getting the product on the market in the near future.

Enhanced Phase 0 Grants

Nate Wildfire talked about the Enhanced Phase 0 grant program. He reminded the group how this was the shift from the earlier attempt at a commercialization gap fund. He described how awards were made in two rounds with one having just ended recently so that agreements were being worked out at the time. There were 17 award winners in round one who received a total of approximately \$1.6 million. There were 11 awards in round two totaling \$1 million. Nate mentioned that the discussions of what to do in terms of commercialization funding next biennium was beginning and that Kate would be talking about that later in the meeting. Nate invited Anna Brown from Stark Street Materials Corporation up to talk about her Enhanced Phase 0 project.

Anna's company has new technology for radiation shielding. She talked about the benefits of the technology versus current products as well as what were her likely first target markets. She thanked the group for the grant and said that the funds were critical in building out and equipping the space her company is using so they can produce product for testing and validation.

Possible matching grant approval

Mark showed the group a table with the exact funding amounts in each program versus the original budget. He showed how there is a little more than \$230,000 left to use before the end of the biennium. Two projects had been sent to the group for consideration on using \$200,000 of that remaining budget. One was an additional SBIR matching grant to Marker Gene Technologies/Sonas BioPharma for \$99,990, and the other was a grant to support the InventOR competition run by the Portland State Business Accelerator for \$100,000. Mark provided a summary of what each project was about and what they would do with the OR InC grant funds. He asked for any discussion of the awards. Hearing none, he asked if someone wanted to move to approve the awards.

Action: David Almodovar moved to approve both grants, and Ian Lombard seconded the motion. Jenn asked for a vote and the two grants were approved unanimously. Jenn abstained from the vote because of her connection to one of the leads on the InventOR project.

Audit Committee Update

David Almodovar, Chair of the Audit and Accountability Committee, provided an update on that group's work since the last meeting. David described how they have been reviewing the progress of the SRCs and working through the performance measures (PMs) on the larger HIOP grants. Dave said the performance of the SRCs was similar to previous reviews and that they are on track (or close) to meeting all of their PMs. The committee has also been going back-and-forth with the SRCs on their scopes of work, budgets, PMs and targets for the 19-21 biennium. For the HIOPs

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from the last round of awards, the group developed questions, information needs, and changes to the PMs and targets. Mark is now finalizing with lead organizations.

SRC 19-21 Grant Agreements

Mark let the group know that he is doing another round of getting additional information from the three SRCs to get to the committee for approval. Mark reminded the group that we are trying to get ahead on this process since it took longer than usual last biennium so we do not want to repeat that situation. Mark said they would be bringing final plans for the SRCs for next biennium to the Council in advance of the July meeting so the group could discuss and possibly approve the plans at that meeting.

Oregon InC Business

Council Membership

Two members' terms expire in June 2019, and both are currently term-limited out of their positions. The members are Ian Lombard and Siva Ramamurthy. Kate acknowledged their great contributions to the council and thanked them for their help, especially through all of the changes the council went through before this biennium.

Commercialization Fund Next Steps

Kate let the group know that, as Nate had said earlier, we had begun discussing options for deploying the commercialization funding next biennium. She is beginning to call around to talk to people who had previously expressed interest in participating in this discussion. She invited any council members who had not already expressed interest to join the effort if they choose. She said there would be a meeting soon to talk about options and probably one or two other meetings to develop a proposal to bring to the council at the July meeting for consideration.

Public Comments & Adjourn

Chair Lynch asked for public comment. No one had any comments.

Jenn adjourned the meeting at 3:55pm.

Approved by:

Signature on file

Jenn Lynch, Chair
Oregon InC

7/26/19

Date

Signature on file

Mark Brady
Business Oregon

7/26/19

Date