



OREGON
INNOVATION
COUNCIL

Full Council Meeting

January 23, 2020



WELCOME & INTRODUCTIONS

MINUTES

Approve minutes from September 17th meeting

AUDIT COMMITTEE UPDATE

Audit Committee Report

- Reviewed SRCs first quarter performance of new biennium
- Very early reporting but things are on track
- Finalizing 19-21 SRC agreements
- HIOP update

- **Need new Chair**

ONAMI 19-21 Plans

- Fill early-stage pipeline with innovation candidates from universities & others
 - Groom selected candidates into companies based on market, product, team strength, prospects of staying & growing in Oregon
 - Support and monitor portfolio companies to continue growing jobs & economic benefit
- Performance Measures:
 - 9+ innovations through opportunity assessment
 - 4+ opportunities thru business planning
 - 1-2 companies incorporated, staffed and SBIR or similar application done + SBIR support for 3-4 others
 - 3+ companies receiving at least \$100k from commercialization fund or similar program
 - Report on portfolio companies (jobs, investment & revenue)

OTRADI 19-21 Plans

- Create and manage programs to accelerate growth of portfolio companies
- Prepare portfolio companies to compete for commercialization fund awards as well as other federal and private funding sources
- Expand reach of OBI to new markets & sectors (state-wide & digital health/health IT/etc.)
- Performance Measures:
 - 7+ companies get SBIR/STTR grants
 - Increase in company revenue by \$12M+
 - Assist companies with raising \$50M+
 - Increase bioscience jobs by 125+
 - Help with pipeline for commercialization fund
 - Report on programming, state-wide access, and collaboration with universities & other partners

VertueLab 19-21 Plans

- Catalyze companies
 - Cascadia CleanTech Accelerator
 - SBIR support and EIR support
 - Commercialization fund pipeline
 - Investor connections
 - Internships
- Catalyze capital
 - Climate Impact Fund
- Catalyze impact
 - Measurement tools
 - HIOP support
- Performance Measures:
 - 24 SBIR applications supported and 5 awards
 - \$60M in follow-on funding to portfolio companies
 - 200 company-investor introductions
 - 6 OR companies graduate from Cascadia CleanTech Accelerator and \$110,000 in proof of concept funding to companies
 - Fund development milestones: \$200k by 12/31, \$400k by 3/31 and \$750k by 6/30
 - Help with pipeline for commercialization fund

PROGRAM UPDATES

Program & RFP Status

- **Signature Research Centers**

- 19-21 agreements in process
- One executed, one close, one waiting on final comments

- **HIOP**

- RFP released January 7th
- Proposals due February 7th

- **Commercialization Gap Fund**

- Final negotiations ongoing
- Fund manager present at April Council meeting

- **SBIR Support Program**

- Phase 0/00 – temporarily suspended; reopening soon
- Matching Grants – 15 awards made from Fall RFP

COMMERCIALIZATION GAP FUND

Commercialization Gap Fund



- Elevate Capital selected to run \$5M investment fund
 - To bridge early stage capital gaps, leading to private capital investments

Commercialization Gap Fund

- Why invest in the Commercialization Gap?
 - To bridge early stage capital gaps, leading to private capital investments
- What is the Commercialization Gap?
 - Two gaps identified
 - Very early stage – when a company is likely still in the proof of concept phase (prototyping and product validation)
 - Early but farther along a company's lifecycle but before a company is attractive to private seed investors or commercial lenders
- What type of companies?
 - Startups focused on science and research
 - Target industries aligned with HIOP (active lifestyle, advanced manufacturing and natural resources) or SRCs (bioscience/digital health, advanced materials and clean tech)

Commercialization Gap Fund

- Elevate Team

- Nitin Rai, Managing Director
- Sharon Howell, Senior Investment Director
- Ben Nahir, Netia McCray, Brandon Ross, Barb Johnson, etc.

- Experience

- Raised \$13M between 2 funds
- Deployed capital to 36 startups over a 3-year period
- Realized two exits, already returned nearly 50% of invested capital back to its limited partners
- Portfolio represents early stage science and research companies

Commercialization Gap Fund

Critical Factors:

- Company friendly terms while enabling state to earn returns
- Fund manager will utilize OR InC partners including SRCs, universities, etc. for pipeline
- Fund manager will utilize partners including SRCs, universities
- No fewer than 15 investments, no company to receive more than 20% of fund
- Investments will be made over a two year window
- Management fee of \$400,000 total
- Distributions are first 100% to LP, then 85% to LP/15% to GP

Commercialization Gap Fund

Metrics

- At least 15 company investments
- Follow-on funding raised by companies
- Jobs created
- Payroll taxes
- Underrepresented leadership of founding teams
- IRR
- University licensing income
- Distributions to Oregon InC

HIGH IMPACT OPPORTUNITY PROJECTS (HIOP)

High Impact Opportunity Projects (HIOPs)

- Remove barriers to R&D, support product development or testing, expedite tech commercialization or innovation
- Support for industry sectors, not individual business
- Awarded as feasibility studies, capped at \$150k, or implementation projects, soft cap of \$500k

Timeline

- 2019-2021 Biennium
 - Two rounds planned for this cycle
 - \$1.5M per round = \$3.0M allocated to the program
- Outreach September - December 2019
 - Over 30 different organizations and individuals
- Round 1 announced January 7th / closes February 7th
- Committee evaluation at end of February
- Mid-March award announcements

Evaluation

- Review criteria:
 - Unique to Oregon
 - Impact level
 - Industry involvement/connection
 - Ability to scale jobs/revenue
 - Leverage
- Committee:
 - Jordana Barclay, Business Oregon
 - Michael Held, Business Oregon
 - Ally Imbody, OMIC
 - Katie Pettinger, OSU
 - Kate Sinner, Business Oregon
 - Fred Warner, Baker City
 - Travis Woodland, Portland State
 - *OR InC member?*
- ***Delegate Authority? – discussion & approval***

SBIR MATCHING GRANTS

SBIR Matching Grants

- 15 awards out of 32 applications (10 Phase I + 5 Phase II)
- \$986,363 total awarded (~\$1.1M remaining)
- Industries: bioscience (therapeutics & devices/software), advanced manufacturing, advanced materials and clean tech (see project summaries)
- Another call for applications in ~April; maybe a 3rd round later

SBIR Matching Grants

• Phase I Awardees:

- Ameristar Solar (Banks)
- Brainchild Technologies (Bend)
- Diatomix (PDX)
- Maia Analytica (Corvallis)
- nexTC (Corvallis)
- OmnEcoil (PDX)
- Pacific Diabetes (PDX)
- Rewire (PDX)
- RocketML (Lake Oswego)
- Veana Therapeutics (PDX)

• Phase I Non-winners:

- Blade Runner Energy (PDX)
- Building Communities (Baker City)
- Continuous Solutions (PDX)
- Cytoimage (PDX)
- FluxMagic (PDX)
- IRPI (PDX)
- Integrative Economics (PDX)
- OMICS Data (Beaverton)
- Virogenomics Biodevelopment (PDX)

SBIR Matching Grants

- **Phase II Awardees:**

- Aronora (PDX)
- Elex Biotech (PDX)
- e-MSion (Corvallis)
- NemaMetrix (Eugene)
- Neuramedica (Oregon City)

- **Phase II Non-Winners:**

- Assistech Systems (Eugene)
- BELCO (Eugene)
- Chemica Technologies (PDX)
- Continuous Solutions (PDX)
- Eduworks (Corvallis)
- Gadusol Laboratories (Corvallis)
- Najit Technologies (Beaverton)
- Tau Science (Hillsboro)

SRC BUDGET NOTE

Budget Note (SB 5524)

“The Oregon Business Development Department, in collaboration with the Oregon Innovation Council, shall **evaluate the feasibility and impact of eliminating ongoing state support** for the three Signature Research Centers: ONAMI, OTRADI, and VertueLab. The Department shall **report its findings to the Emergency Board in September 2020.**”

SRC Budget Note

- Work with Council, SRCs and universities to prepare report
- SRCs pulling together information and metrics on the value and impacts of their work
- Have a draft ready to share with Leg. Fiscal Office in August
- May or may not have to do a presentation
- Will be part of Innovation Plan discussions

SPONSORSHIPS

Sponsorships

- New agency approach to sponsorships
- Supported InventOR last biennium
- Requesting \$100k in funding to support sponsorships throughout the fiscal year
- Report back on activity at each quarterly meeting
- *Discussion and approval...*

UNIVERSITY INNOVATION RESEARCH FUND

University Innovation Research Fund

- Matching fund (\$10M) for federal, ec dev/innovation-related proposals
- Review committee = senior research officers + OR InC member
- Three proposals so far; all three approved by review committee
- Two of three (UO & OSU) have been awarded federal money; \$850k in UIRF money matched \$1.85M in federal money (2.2:1)
- Third proposal (PSU) has \$600k UIRF match commitment for \$1.4M in federal money (total= \$1.45M state:\$3.25M feds)

Projects to Date

- University of Oregon—RegenMed Development Organization (DOD) = \$600k:\$600k
- Oregon State University—National Marine Renewable Energy Infrastructure Upgrades (DOE) = \$250k:\$1,250k
- Portland State University—Major Research Instrumentation Program (NSF) = \$600k:\$1,400k

INNOVATION PLAN

KIM HERB

Agenda

- Consultant Update
- Innovation Vision Survey
- Futures Commission
 - Oregon InC role / expectations
 - Subject areas and key stakeholders
- Timeline

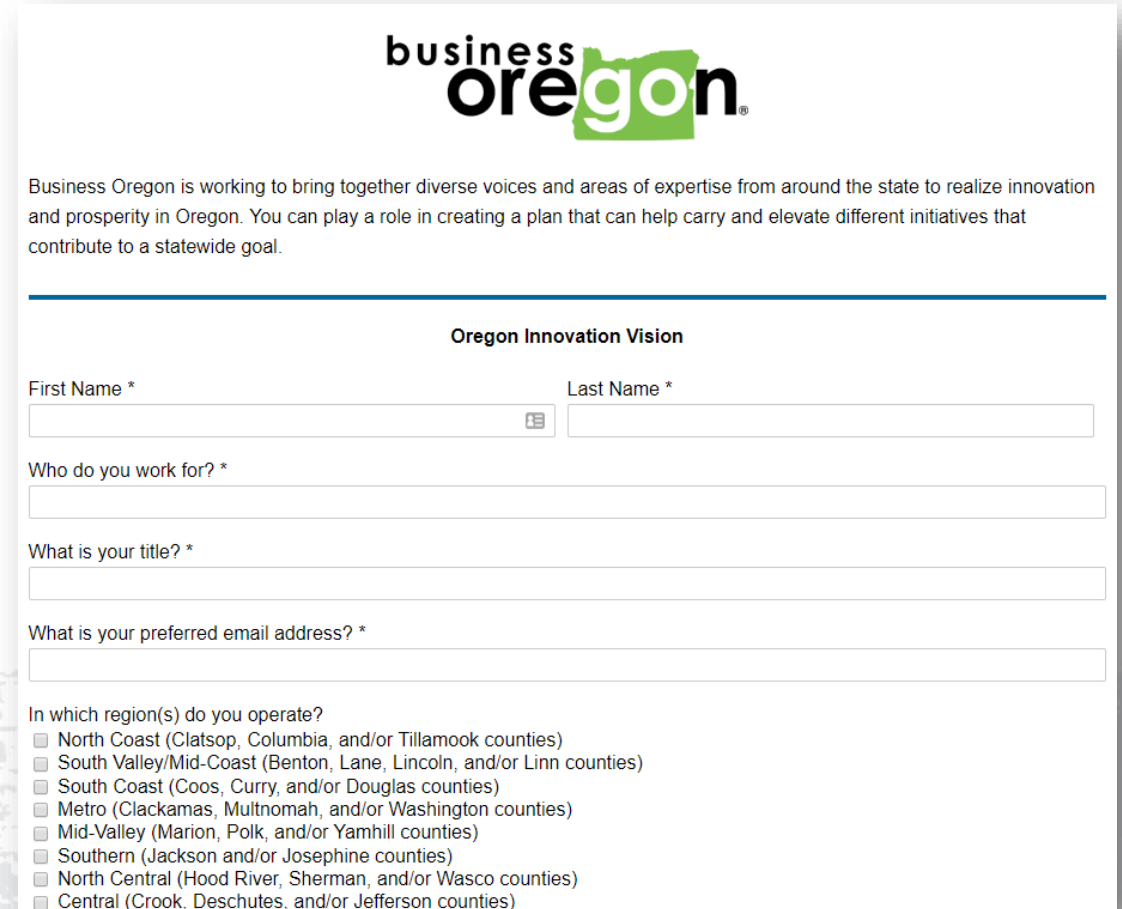
Phase III Consultant Update

- 5 Proposals
- Evaluation team unable to reach consensus
- Updating and reissuing RFP
- Key dates
 - Release Wednesday, January 29, 2020
 - Deadline Monday, February 17, 2020

Oregon Innovation Vision Survey

- Brief survey to capture vision
- Demographics
- Continued engagement

- Ask
 - Complete the survey
 - Assist with amplification
 - Distribute it to your constituents
 - Amplify survey communications



The screenshot shows the 'business oregon' logo at the top right. Below it is a paragraph of introductory text: 'Business Oregon is working to bring together diverse voices and areas of expertise from around the state to realize innovation and prosperity in Oregon. You can play a role in creating a plan that can help carry and elevate different initiatives that contribute to a statewide goal.' A horizontal line separates this from the survey title 'Oregon Innovation Vision'. The form contains several fields: 'First Name *' and 'Last Name *' (text boxes), 'Who do you work for? *' (text box), 'What is your title? *' (text box), and 'What is your preferred email address? *' (text box). At the bottom, there is a section titled 'In which region(s) do you operate?' with a list of nine regions, each preceded by a checkbox: North Coast (Clatsop, Columbia, and/or Tillamook counties), South Valley/Mid-Coast (Benton, Lane, Lincoln, and/or Linn counties), South Coast (Coos, Curry, and/or Douglas counties), Metro (Clackamas, Multnomah, and/or Washington counties), Mid-Valley (Marion, Polk, and/or Yamhill counties), Southern (Jackson and/or Josephine counties), North Central (Hood River, Sherman, and/or Wasco counties), and Central (Crook, Deschutes, and/or Jefferson counties).

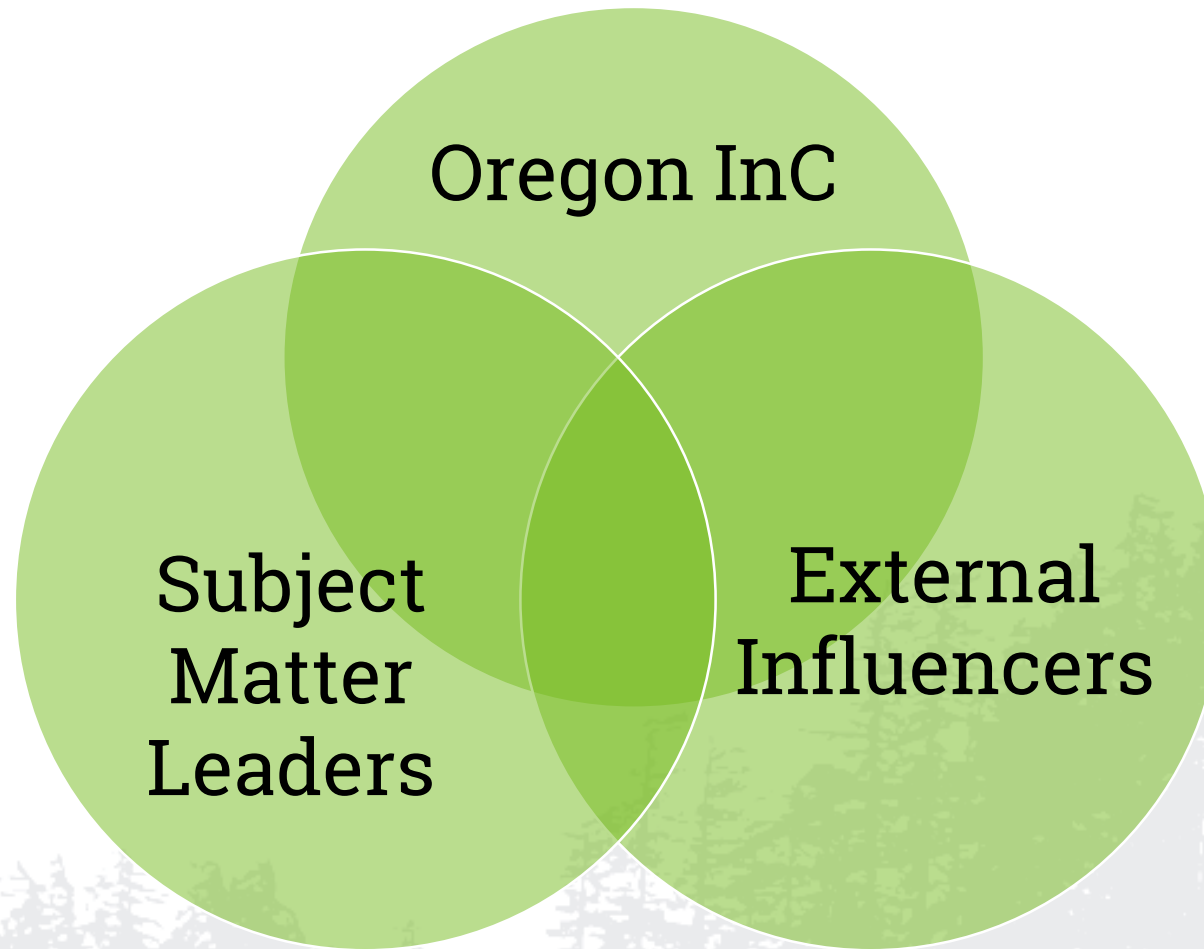
Innovation Plan and Road Map Overview

Who	Oregon InC to lead, include key stakeholders and broader base
How	Develop an innovation strategy based on existing studies, surveys, and facilitated discussions among stakeholders
What	Convene ~3 all day events and 2-3 work sessions and distribute survey
Where	TBD, but all day events will be around the state
When	February - July/August 2020
Why	Develop near term and 10-year policy and budget recommendations that elevate innovation as a state priority and position

Futures Commission

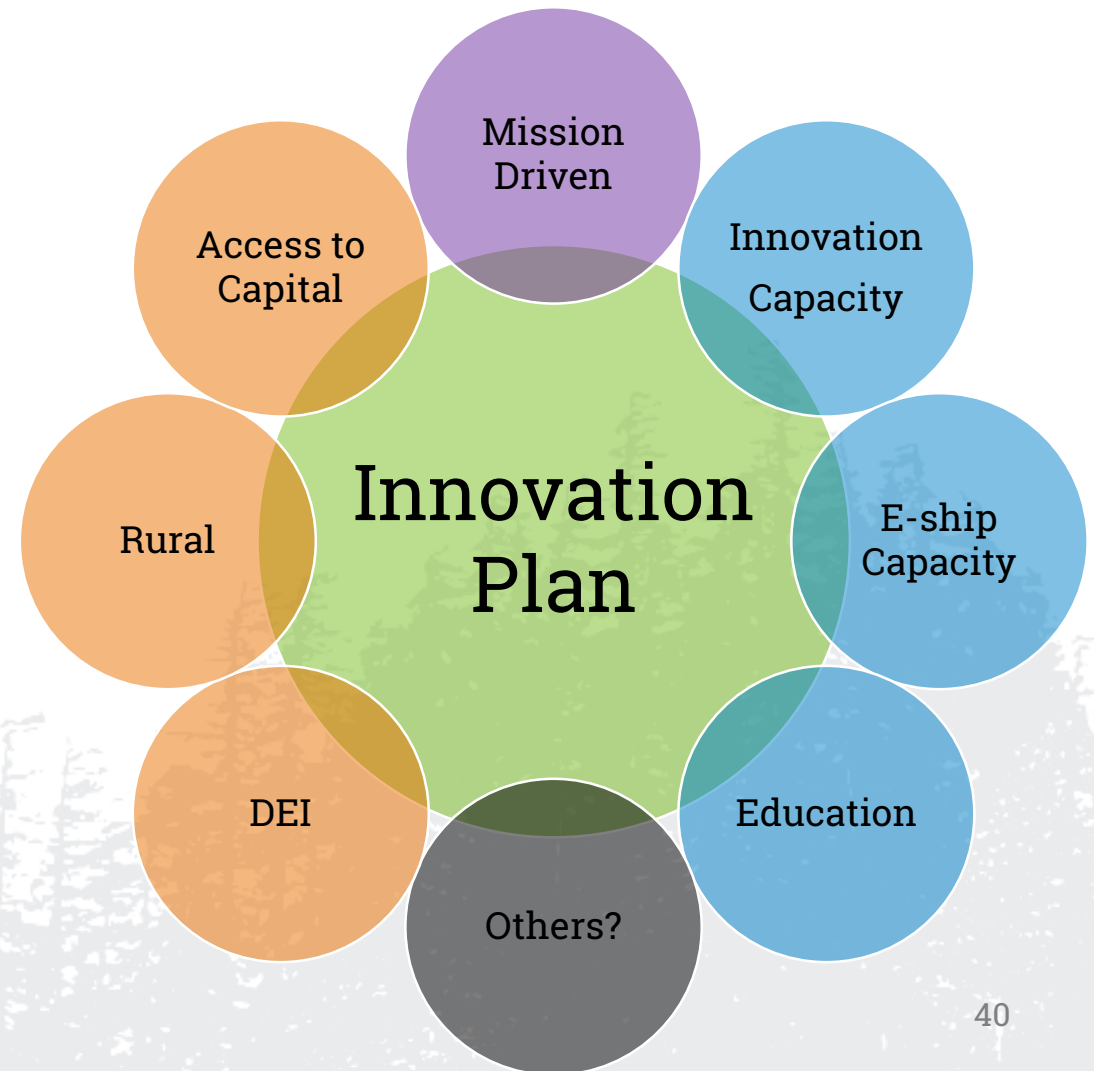
Goal: Elevate innovation as a state economic development priority	
Outcomes	Outputs
Identify catalytic state investment and policy proposals to position Oregon as a leading innovation state.	Recommend “full” Innovation Package (policy and budget) to GKB for consideration for 21-23 Legislative Session.
Oregon demonstrates the value of the inclusive innovation	
Oregon demonstrates the value of innovation to address global challenges with acute local ramifications.	Innovation Road Map – Including policy priorities and budget for 21-23 session, as well as what is anticipated to be needed in future sessions (10 year plan)
Oregon demonstrates strategies for rural engagement in innovation	
Alignment on the ‘problems’ we’re trying to solve AND what success looks like	

Futures Commission Composition



Subject area/discussion themes

- I&E capacity
- Innovation 'missions' / global challenges
- Equity
- Others as identified



Target Futures Commission List

Monica Enand
Diane Fraiman
Julie Harrelson
Rita Hansen
Max Williams

Equity

Skip Newberry
Duncan Wyse

I&E Capacity

Education

Larry Bekkedalh (PGE)

Missions

(+) All interested and available Oregon InC Members

Parallel Processes

TAO
Innovation
Policy
initiative

OEN
Venture
Catalyst
Study

Oregon
Business
Plan

Cascadia
Innovation
Corridor

I&E Capacity

Lemelson
Foundation
Ecosystem
2.0

NSF study
on I&E in
University
Promotion
& Tenure

Education

Capital
Scan

Oregon
Growth
Account
RFP

Equity

SOREDI
SEDCOR

Various regional efforts

Others?

Timeline

- Survey distributed (present – May 2020)
- Futures Commission List Final (February 14)
- Consultant selected (February 21)
- Summit meeting dates identified (February 28)
- Summit meetings completed (June 19)
- 21-23 Policy Recommendations (July 1)

Next Steps

My Ask

- Take and share the Innovation Vision Survey
- Communicate your intention to participate in Futures Commission
- Identify others potential Futures Commission members or key themes
- Suggest dates and locations for Summits
- Identify other parallel processes

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PUBLIC COMMENT

NEXT MEETING & ADJOURN

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