



February 16, 2019

### **RAIN Eugene's Testimony in Support of House Bill 2641**

Providing financial assistance to programs, entities, and providers of technical business development and creation assistance and providing support to technology-based, start-up businesses whose primary purpose is to commercialize that have as a purpose the commercialization of university-based or university-assisted research.

Dear Chair Lively:

My name is Dana Siebert and I am the Interim Executive Director of RAIN Eugene. I have been on the Oregon RAIN Board of Directors since the inception. I have had many opportunities to see first hand the impact these accelerator programs have had in commercializing technology from our universities to become attractive high growth companies.

We have come a long way in our work to foster the entrepreneurial ecosystem across the Southern Willamette Valley and the Oregon Coast. Much of this success can be directly tied back to the formation of Oregon RAIN (Regional Accelerator and Innovation Network) in 2013. The state of the region's startup ecosystem made huge leaps, when the cities of Eugene and Corvallis, the University of Oregon and Oregon State University, and the private sector made a very intention commitment to change the way we were commercializing research and collaborating towards supporting early-stage companies. Oregon RAIN has paid a valuable catalytic role setting out to accomplish two main goals:

1. Strengthen the effectiveness of commercializing research between each university and their respective community at the same time build collaborative relationships across the region with the public and private sector.
2. Build a strong small business/startup ecosystem that would shift the economic development landscape towards a higher paying knowledge-based workforce with a "grow our own" focus.

We are pleased with the progress towards these 10-year+ goals, and we recognize there is much still to accomplish. The progress to date would not have happened without the generous funding from the State of Oregon that was matched (exceeded match) by our other key stakeholders. Our communities thank you!

**Great Progress:** As part of the success, RAIN Eugene and RAIN Corvallis have become more mature and are able to operate more independently, while tailoring programs and services to meet the specific needs of our cities. Over the past 5 years, we are very pleased with the foundation that has been set for our entrepreneurial ecosystem. The ecosystem work has fostered entrepreneurship and innovation by

providing programs that educate founder and investors, offering an intensive accelerator program to launch viable companies, increasing access to capital for startups, creating an innovation hub (physical space) to collaborate, marketing the region as an innovative community that is an attractive place to start a business, and connecting Eugene to the rest of the state's startup ecosystems.

This work is having a very real and lasting impact on the community with the following successes:

- 49 companies have gone through the RAIN Eugene accelerator
- 33 of the accelerator companies are still in business and have stayed in the market, a 67% success rate compared to the national average of 25%.
- Accelerator companies have \$18.4 million in investment, grant or debt funding
- RAIN Eugene has grown 194 full-time jobs for the region
- Companies have generated \$7.6 million in revenue
- 1,156 University of Oregon students have been engaged in the program
- 479 companies have been mentored by local professionals

#### **Success Stories:**

**NemaMetrix:** Specializes in creating custom *C. elegans* and Zebrafish genome-edited animals, developing and manufacturing devices, consumables, and software for worm screening and phenotyping. Their mission is to enable scientists and researchers around the world to better understand human health and explore potential treatments for high-impact disorders such as Alzheimer's disease, epilepsy, and cancer by offering a more affordable and accessible platform. The company went through the accelerator, has been receiving post-accelerator mentoring, and leveraged the shared wet labs space managed by RAIN Eugene. Currently with 70+ employees in Eugene and strong revenue growth.

**Dune Sciences:** Is a technology spin-out from the University of Oregon's chemistry department. Dune's nano-engineered coatings for medical textiles eliminate bacterial contamination on treated garments while using less than 1% of the active material as used in previous technologies, making it simpler to incorporate, greener and less expensive than competitors. Dune's scientists invented technology that has been used on an entirely new line of high-performance and environmentally friendly cleaning and deodorizing products. After graduating the accelerator this Eugene based company is now focused on scaling its consumer product lines from 2,000 to 3,000 grocery locations.

**Cognitopia:** Develops life management assistive technology for individuals with autism and other cognitive disabilities. They create cognitively accessible web applications for self-management and executive functioning that help people with cognitive disabilities be more independent while helping caregivers provide better support. Cognitopia graduated the accelerator and has been actively involved in post-accelerator programs to make business model adjustments and now scaling.

**Next Steps in Ecosystem Development:** We are now ready to take the next step in our ecosystem. Building off the collaborative stakeholder relationships between the City of Eugene, the University of Oregon, the Eugene Area Chamber of Commerce, and the private sector we are launching the next generation Eugene's innovation ecosystem. This new innovation centered model will leverage the foundation created over the past 5-years towards a more robust forward-thinking environment that encourages community-wide innovative and collaborative problem-solving towards taking our startup ecosystem to the next level.

We are building a collaborative leadership model in which stakeholders agree to a strategic plan for the innovation network, and then align policies and investments in order to:

1. Celebrate and reward innovation, and build a new narrative/brand for the community.
2. Leverage the ecosystem work to date towards a Innovation district that ties together entrepreneurial programs, sector strategies, placemaking (downtown strategies, riverfront and 5th Street developments, with the UO Knight Campus), and public policy in new creative ways.

**Funding:** The funding being considered will play an extremely important role in expanding the programs and services offered to entrepreneurs. In particular, we will use the funding to expand post accelerator programs to ensure early stage companies can apply what was learned in the accelerator through the launch and growth stages of their company development. This will include a formal mentor program, strategies for access to capital, and plans to leverage sector-specific resources required for scale.

In this next phase of ecosystem development, we fully understand the need to become sustainable with a significantly lower reliance on State funding. Unlike OSU, our program funding for the accelerator has been 80% funding by the State of Oregon economic development funds. We are in the process changing this, but without the State funding, we will see a significant cut back in services for 12-18 months. We are actively lining up strong stakeholder support, grant funding, private sector sponsorships, as well as exploring models that will recoup equity from companies that are successful as a result of the support the ecosystem has provided, but it will take time.

**Thank you again for supporting House Bill 2641.**

Regards,



Dana Siebert  
Interim Executive Director  
Email: [dsiebert1@gmail.com](mailto:dsiebert1@gmail.com)

RAIN Eugene  
942 Olive St.  
Eugene, OR 97401