

HB 2934 -3 STAFF MEASURE SUMMARY

House Committee On Economic Development

Prepared By: Melissa Leoni, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/20

WHAT THE MEASURE DOES:

Appropriates \$2,000,000 of General Fund moneys to Oregon Business Development Department to make grants to nonprofit corporations for purpose of supporting the organization, administration, and programming for innovation districts. Limits grants to one contiguous innovation district per city. Requires innovation district to be located within five miles of and partnered with R1 research university or Oregon Health Science University, be established by September 1, 2019, and include an opportunity zone within its boundaries. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-3 Modifies innovation district criteria. Deletes requirement that innovation district include opportunity zone within its boundaries. Reduces student population minimum from 2,000 to 1,000 full-time students for R1 research university.

BACKGROUND:

The Oregon Business Development Department, commonly known as Business Oregon, is the state's economic development agency. Its mission is to invest in Oregon businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy. Business Oregon supports the retention and expansion of existing Oregon businesses within traded sectors, carries out strategies to create a dynamic startup and entrepreneurial environment, and recruits companies from outside the state to fill supply chain gaps and grow existing industry clusters.

Brookings defines an innovation district as a geographic area where leading-edge anchor institutions, which are research universities and research-oriented medical hospitals, and companies cluster and connect with start-ups, business incubators, and accelerators. Innovation districts combine economic, physical, and networking assets to create an innovation ecosystem, or a "synergistic relationship between people, firms and place." [Bruce Katz and Julie Wagner, Brookings, *The Rise of Innovation Districts: A New Geography of Innovation in America* (2014)].

An R1 research university is defined by the Carnegie Classification of Institutions of Higher Education as having awarded at least 20 research or scholarship doctoral degrees and at least \$5 million in total research expenditures as reported through the National Science Foundation Higher Education Research & Development Survey. In Oregon, the two R1 research universities are Oregon State University and the University of Oregon.

House Bill 2934 appropriates \$2,000,000 of General Fund moneys to Business Oregon to make grants to nonprofit corporations for the purpose of supporting innovation districts that are located within five miles of and partnered with a R1 research university or Oregon Health Science University, are established by September 1, 2019, and include an opportunity zone within its boundaries.