



February 19, 2019

Senator James Manning Jr., Co-Chair
Representative David Gomberg, Co-Chair
Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development
900 Court St. NE
Salem, OR 97301

RE: Senate Bill 5524, and Support for the Oregon Innovation Council (Oregon InC)

Dear Co-Chairs Manning and Gomberg and Members of the Committee,

I am pleased submit this letter of support for the Oregon Innovation Council (Oregon InC) programs administered by the Oregon Business Development Department's Innovation & Entrepreneurship (I&E) division. Oregon InC provides the I&E division with guidance into how best to invest limited dollars to support innovation in Oregon, and identify and help fill critical capital gaps for early-stage companies trying to commercialize technology and create the next generation of Oregon businesses.

VertueLab (formerly Oregon BEST) was established in 2007 with the support of Signature Research Center funding from Oregon InC working to drive economic growth from Oregon's strength in cleantech innovation – technologies that provide society with critically important solutions to environmental challenges. From our founding to today, we have supported the growth of over 50 companies in Oregon, resulting in the creation of over 400 jobs, more than \$120 million in follow-on investment, and over \$50 million in commercial revenue. The sustained grant support from Oregon InC has also allowed VertueLab to attract and match \$3.3 million in key non-State funding to further extend our programs in support of business acceleration.

Oregon InC's programs help ensure that Oregon's entrepreneurs are not at a disadvantage compared to their peers in other states that have similar types of support programs. As noted above, in addition to their direct funding of companies, Oregon InC's funding leverages private investment and federal government grants, which magnifies its impact on Oregon's start-up community. We are solid supporters of Oregon InC and its programs and will continue to work with the Council and the I&E division in the coming biennium to help Oregon's entrepreneurs be as successful as possible. We strongly encourage the Legislature to continue to fund this critical effort.

Sincerely,

David Kenney
President & Executive Director

vertuelab.org / 971-770-2378

412 SW 12th Ave. 2nd FL, Portland, OR 97205



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RE: Senate Bill 5524 - Support for the Oregon Growth Fund

Dear Co-Chairs Manning and Gomberg and Members of the Committee,

I am writing in support of the Oregon Growth Fund (OGF) administered by the Innovation & Entrepreneurship (I&E) division of the Oregon Business Development Department. As a business grows, it needs to access larger sums of capital that come with specific expertise or mentoring. The OGF is the provider of this next step capital via funding through entities like angel funds, equity investments serving under-represented entrepreneurs and sectors, and nontraditional lenders serving rural and minority-led businesses. Seed and early-stage capital can be particularly difficult to access for some communities and industries, particularly traditionally underserved populations. The OGF is a critical funding tool to help fill existing Oregon capital gaps for growing businesses.

Catalytic capital provided by the OGF is an important part of building and maintaining a vibrant ecosystem that can support early-stage companies. VertueLab (formerly Oregon BEST) was established in 2007 with the support of Signature Research Center funding from Oregon InC working to drive economic growth from Oregon's strength in cleantech innovation – technologies that provide society with critically important solutions to environmental challenges. While VertueLab focuses on assisting companies in the development of their science and technology innovations, building their management expertise, and acquiring R&D grants, we count on the capital ecosystem to fund their further development. We have supported the growth of over 50 companies in Oregon that have gone on to raise over \$120 million in follow-on funding from others. Funding from the Oregon Growth Fund is an example of the type of capital that helps early-stage companies climb the capital ladder to ultimate success.

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Creating a stable funding source for the Oregon Growth Fund will ensure that private dollars continue to be leveraged, along with expertise provided, to serve Oregon's entrepreneurs. With the recent increase in later stage investors statewide, it is critical that early-stage funding options exist to fill investment pipelines, keeping growing businesses in Oregon, and employing Oregonians. We are solid supporters of the Oregon Growth Board, and urge the Legislature to continue funding the Oregon Growth Fund.

Sincerely,

A handwritten signature in black ink that reads "David Kenney". The signature is written in a cursive style with a large, looping "D" and "K".

David Kenney
President and Executive Director