



TO: T.C. Broadnax, City Manager
FROM: Patricia Beard, Project Manager, Community and Economic Development
Ricardo Noguera, Director, Community and Economic Development
COPY: City Council and City Clerk
SUBJECT: Resolution – Authorizing up to \$500,000 in local repaid UDAG funds to serve as a match for an i6 Challenge Grant – June 7, 2016
DATE: May 24, 2016

SUMMARY:

This resolution would authorize the City Manager to commit up to \$500,000 in local repaid UDAG funds as a match to an i6 Challenge Grant.

STRATEGIC POLICY PRIORITY:

- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Encourage thriving residents with abundant opportunities for life-long learning.

BACKGROUND:

On May 24, 2016 the City Council Economic Development Committee approved a motion, recommending that the Council authorize the City Manager to commit up to \$500,000 in local repaid UDAG funds as a match to an i6 Challenge Grant. The i6 Challenge Grant is offered through the Regional Innovation Strategies Program of the US Economic Development Administration. University of Washington-Tacoma is the applicant for the grant as part of a multi-partner effort to create a Biotech Accelerator aligned with military health at the former Nativity House located at 2304 Jefferson Avenue, Tacoma.

Tacoma and South Puget Sound have significant resources for furthering medical and biotechnological innovation due to the research activities and initiatives at Madigan Army Medical Hospital (Joint Base Lewis-McChord) and MultiCare’s Institute for Research and Innovation. Madigan is the US Army’s second largest medical center and features a robust research program. MultiCare has a fully integrated medical record system and a diverse patient population at five hospitals and several specialty centers and clinics. Between these two, more than 500,000 diverse patients support and benefit from advances in medical care. Additionally to area medical centers, both the University of Puget Sound and University of Washington-Tacoma are building increasingly robust curriculums in microbiology, bioinformatics and health promotion that prepare students to access jobs and entrepreneurs to create new products and companies that can leverage regional needs into health benefits and living wage jobs for Tacomans.

In March, 2016 the South Sound Biotech Partnership was convened by the Community and Economic Development Department consistent with the City Manager’s 2016 Key Strategic Objectives. As a result of this meeting of diverse stakeholders in the biology and medical sectors, participants decided to try to capitalize on two time-sensitive opportunities to launch a biotech accelerator for entrepreneurs, researchers and students targeted primarily at military health:

1. The opportunity to apply for i6 Challenge Grant funding in support of a Proof of Concept Center (i.e. accelerator); and
2. The identification of a highly suitable independent building in south downtown, the former Nativity House, vacated the previous year.

The partners are envisioning a three-pronged approach to establishing the biotech accelerator:



1. The City would support the project by acquiring the former Nativity House and providing a period of time (two or three years) of no-cost rent;
2. Private parties and outside agencies would identify or form an independent non-profit entity to stand up and operate the program, serve as the City’s master tenant, conduct fundraising activities, pay all operating expenses of the project and insure/indemnify the City, and ultimately buy the building from the City;
3. University of Washington-Tacoma would apply for and administer grants, such as the i6 Challenge grant, and develop a curriculum and Intern Certificate program so that students could benefit from the project.

ISSUE:

City Council’s policy initiatives for economic vitality in Vision 2025 included diversifying the local economy and increasing living wage jobs for community members. Working collaboratively with the University of Washington to obtain i6 Challenge Grant funding by committing matching funds is the necessary next step toward moving the biotech innovation/acceleration initiative forward to advance City Council goals.

ALTERNATIVES:

The City Council could decide not to authorize the City Manager’s commitment of matching funds to the i6 Challenge Grant.

RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager to commit up to \$500,000 as matching funds for an i6 Challenge Grant being applied for by University of Washington-Tacoma.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1195-UDAG, UDAG Fund	852400	5330100	\$500,000
TOTAL			\$500,000

* General Fund: Include Department

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$500,000 would be committed from the net balance of \$3.6 million in the UDAG account.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.