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August 8, 2005

Commissioner Serena Cruz
Multnomah Building
501 SE Hawthorne Blvd.
Portland, OR 97214

Dear Serena,

It was a pleasure talking to you briefly about OSTP after the Commissioners/Guidance Team meeting last week. I enclosed five sets of the brochures and the annual report so that you will have a good idea of the role OSTP plays in economic development in the East Metro.

A year ago last June, I sent Commissioner Lonnie Robert a funding proposal. He told me that things will go faster if I sent the proposal to Diane Linn, which we did. The County gave us \$10,000 for the 2004-2005 fiscal year out of \$25,000 we requested.

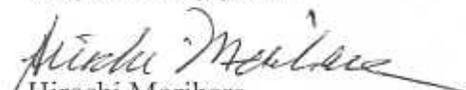
During the formative year (2002 to 2004), the State through OECDD gave us \$200,000. For the Fiscal Year 2004-2005, we received \$25,000 each from Clackamas County and the City of Gresham, \$15,000 from the Port of Portland, \$10,000 from the Multnomah County and \$5,000 each from the City of Troutdale, PGE and LSI Logic. We were able to hire Dr. Diane Vines half time with the money.

Since there are so many companies we'd like to help, we would like to hire Dr. Diane Vines and her assistant full time as soon as possible. So far, for the 2005-2006 fiscal year, we have secured \$75,000 from the State, \$25,000 each from the Clackamas County and the City of Gresham, and \$5,000 each from PGE and the Port of Portland. Rob Fussell was not very hopeful that the Multnomah County can contribute any money this year.

As I mentioned to the Commissioners last week, I believe strongly that the Multnomah County must be a major player in the economic development effort to increase revenues so that it will be able to adequately provide needed services in the County. Otherwise, the County will be left behind other regions which aggressively promote business development. All we ask at this time is \$25,000 to support the OSTP's work on behalf of businesses in the Multnomah County.

I look forward to hearing good news from you soon.

Very sincerely yours,


Hiroshi Morihara
Chair, ODTP



OREGON SCIENCE AND TECHNOLOGY PARTNERSHIP SPRING 2005 REPORT

Mission: Promote partnerships among government, education and industry to create economic strength and jobs.

The Oregon Science & Technology Partnership is recognized for achieving collaboration and action in the area of industrial development in the East Metro region since its inception two years ago. OSTP is exceeding its goals of connecting government, colleges & universities and industry for the purpose of business creation, expansion and job growth in knowledge-based industries.

OSTP GOALS AND ACCOMPLISHMENTS

I. Spearhead goals for East Metro economy

- Recruit, retain and grow new knowledge-based companies;
- Create a series of forums for professionals from academe and industry to share and work together for the purpose of developing commercially viable, marketable knowledge-based products and services;
- Provide catalytic leadership to promote and commercialize science and technology discoveries;
- Create a hospitable environment for innovative, entrepreneurial companies whose products and services have high value;
- Attract and grow intellectual capital in the East Metro Region.
- Form and nurture angel investor group in the East Metro Region.

ACCOMPLISHMENTS:

Promoted partnerships among government, education and industry to create new economic opportunities for East Multnomah County and Clackamas County.

- ✓ Launched Knowledge Connection services and received contracts with Clackamas County; City of Gresham; Multnomah County; the Port of Portland; and City of Troutdale. The Knowledge Connection program is the only one of its kind in Oregon brokering relationships between academia and industry.
- ✓ Recruited top business leaders and venture capitalists to develop new angel investors program for East Metro businesses.
- ✓ Linked Oregon Iron Works with Portland Streetcar Inc. to discuss opportunities for developing an "Oregon Streetcar."
- ✓ Organized visit of company and government leaders to the Pacific Northwest National Laboratory to initiate technology collaboration among companies and PNNL.

- ✓ Connected new Gresham manufacturer with scientific resources at Pacific Northwest National Laboratory to help them with environmental compliance.
- ✓ Provided leadership to the Springwater and Greater Damascus master-planning process ensuring future knowledge-based industry needs and potential partnerships are identified.
- ✓ Enhanced relationships with Port of Portland and East Multnomah County communities for the purpose of influencing knowledge-based job creation on existing and future Port purchases in the east metro region. Current sites include the Troutdale Airport and recently purchased Reynolds Aluminum property.
- ✓ Committed to supporting Mt. Hood Community College with development and recruitment plans for “back 40” industrial property.
- ✓ Assisting Clackamas Community College, Oregon Institute of Technology and Clackamas County with Healthcare workforce education initiative.

II. Participate in local, regional and state governmental efforts to grow existing and recruit new knowledge-based firms to the East Metro region.

ACCOMPLISHMENTS

- ✓ Incubated and helped develop the Pacific Northwest Defense Coalition, a newly-formed membership organization dedicated to establishing a cluster of defense-related companies in Oregon.
- ✓ Recruited top national business leader in science and technology to serve on the Oregon Science & Technology Partnership Board.
- ✓ Identified two key knowledge based clusters that were uniquely strong and poised for growth in East Metro: DEFENSE MANUFACTURING (aerospace to medical to aviation to nuclear to high tech) and HEALTHCARE/MEDICAL (services to hospitals to medical device to nutraceuticals to naturopathic products and services).
- ✓ Identified key core value for East Metro region to build a new innovative industry: GREEN ENERGY; SUSTAINABLE PRODUCTS; SUSTAINABLE COMMUNITIES.
- ✓ Sought federal science & innovation grants for partnership and community investment.

A NEW EAST METRO REGION

OSTP's recently completed feasibility reports and related studies demonstrate ways that the East Metro communities will benefit from an overall strategy focusing on job creation in high valued-added research and technology based companies. OSTP will continue focusing on target companies and niche areas for research, development, technology transfer, and incubation for the purpose of job creation and attraction.

An investment in OSTP means:

- Growing and attracting knowledge-based companies;
- Linking government, education and industry for quality jobs;
- Identifying assets and targeted industry clusters;
- Developing strategies for a high return on currently underutilized land;
- Attracting national and regional in-flow of venture capital;
- Security for our children's future.