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# IOWA INNOVATION CORPORATION

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## **ANNUAL REPORT – 2017 / 2018 COMBINED**

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## 2017 / 2018 Iowa Innovation Corporation Annual Report

2018 marked a year of transition for the Iowa Innovation Corporation. In an effort to meet the needs of Iowa's burgeoning biosciences industry, the corporation is transforming its mission to focus on two objectives:

1. To serve as an Iowa bioscience development center (IBDC); and
2. To administer the state's Small Business Innovation Research and Small Business Technology Transfer (SBIR/STTR) Outreach Program

### **Iowa Bioscience Development Center**

In late 2017, the governor's office, along with the Iowa Economic Development Authority (IEDA) and the Iowa Innovation Council, released the results of a study conducted by TEconomy Partners, LLC. The study focused on the future potential of bioscience-based economic development opportunities within Iowa. This report also featured a "roadmap" for bioscience-based economic development in the state and proposed that these efforts focus on four platforms:

1. Medical devices
2. Biobased chemicals
3. Precision and digital agriculture
4. Vaccines and immunotherapeutics

It also called for action across platforms in four strategic areas:

1. Establishment of a public-private Iowa bioscience development center to provide strategic leadership and coordination of efforts;
2. Increasing the availability of and access to capital investment for bioscience companies;
3. Ensuring continued legislative support for innovation ecosystem development programs; and
4. Improving connectivity and collaboration opportunities between key stakeholders in each of the platforms.

In mid-2018, IEDA's board approved plans to transition the Iowa Innovation Corporation to serve as the IBDC and in October, Jim Register was hired as the corporation's new president and CEO. Efforts are now focused on establishing and growing the IBDC in partnership with the IEDA, state universities, companies working in the platform sectors and the investment community. There will be more to report on in 2019.

### **Small Business Innovation Research and Technology Transfer Outreach Program**

The SBIR/STTR Outreach Program's mission remains the same – providing support for innovative Iowa businesses seeking federal grants through the Small Business Administration's SBIR/STTR programs. This support is not restricted to the four bioscience platforms that are the focus of IBDC efforts.

The state of Iowa provides two forms of support to those applying for SBIR/STTR grants:

1. Guidance through the application process and payment for third-party assistance in writing Phase I and Phase II applications and
2. Financial assistance of up to a \$25,000 match on Phase I awards plus an additional \$25,000 for submission of a subsequent Phase II application.

2018 was a very successful year for the SBIR/STTR Outreach Program on several fronts:

1. 19 federal awards, totaling \$7 million, were obtained by 16 companies (a list of these companies and award amounts for 2017 and 2018 can be found at [www.iicorp.com](http://www.iicorp.com)). This equates to \$6.20 in federal funds received for every \$1 invested by the state into support and award matches.
2. As shown in Table 1, both applications and awards have continued to increase since the current support program was established in 2015.
3. An increasing number of Phase II awards to five companies for a total of \$4.55 million, demonstrating advancement of innovations within the state.

In 2018, the Iowa Innovation Corporation began comparing its success metrics against those of surrounding states and the results show Iowa is performing very competitively. The number of SBIR and STTR awards received by Iowa entrepreneurs is exceeded only by Illinois and Wisconsin, states with much larger populations. Total award amounts are also very competitive, trailing again, only Illinois and Wisconsin. Indeed, these metrics on a per capita basis show Iowa leads surrounding states in the number of awards received, as well as dollars received, with the exception of dollars awarded in Wisconsin. The only metric in which Iowa is not at the top of this cohort is the percent of applications submitted that receive awards. Iowa ranks fourth out of this cohort consisting of seven states. In 2019, the Iowa Innovation Corporation will be striving to improve this success rate, which also is the most effective way of improving the state’s return on investment in this program and will be expanding the set of comparator states.

Table 1. Iowa SBIR/STTR Outreach Program Performance, 2015-2018

<b>YEAR*</b>	<b># AWARDS OBTAINED</b>	<b>APPLICATIONS SUBMITTED</b>	<b>TOTAL \$ AWARDS</b>
2018	19	86	\$7M
2017	10	69	\$5.8M
2016	11	52	\$2.75M
2015	1	8	\$0.15M

\*IICorp fiscal year; July-June

### Entrepreneurial Investment Awards

In 2015, the Iowa Legislature approved legislation to provide financial assistance to entrepreneurial assistance providers. The purpose of this Entrepreneurial Investment Awards (EIA) program is to provide financial assistance to service providers that offer technical and financial assistance to entrepreneurs and startup companies seeking to create, locate or expand a business in Iowa.

IEDA's Technology Commercialization Committee reviews applications and makes funding recommendations to the IEDA Board. IEDA does not award more than \$200,000 to any one service provider per fiscal year. The Iowa Innovation Corporation assisted IEDA with administration of this program until this responsibility was transferred back to IEDA in March 2018.

A list of award winners and funding received is provided in Table 2.

Table 2. EIA Program Summary, 2017-2018

<b>AWARDEE</b>	<b>LOCATION</b>	<b>AMOUNT</b>
<b><i>Fiscal Year 2017 AWARDS (\$925,000 total)</i></b>		
Council Bluffs Area Chamber of Commerce	Council Bluffs	\$200,000
North Iowa Area Community College - John Pappajohn Entrepreneurial Center	Mason City	\$100,000
Iowa State University (ISU) Research Park	Ames	\$200,000
Square One Des Moines	Des Moines	\$200,000
New Bohemian Innovation Collaboration	Cedar Rapids	\$75,000
Iowa City Area Development Group	Iowa City	\$25,000
Gravitate	Des Moines	\$125,000
<b><i>Fiscal Year 2018 AWARDS (\$480,000 total)</i></b>		
Northeast Iowa Community College	Dubuque	\$160,000
Iowa City Area Development Group & New Bohemian Innovation Collaboration	Iowa City & Cedar Rapids	\$120,000
ISU Research Park Startup Factory	Ames	\$200,000