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Ohio to create innovation hubs

University of Cincinnati could be 'ideal anchor'

Business Courier of Cincinnati - by [Dan Monk](#) Senior Staff Reporter



Ohio Lt. Governor Lee Fisher wants to identify the state's first innovation hub by the end of 2009, a move that could re-energize long-standing local initiatives aimed at creating jobs from the region's robust industry clusters and research discoveries.

The Ohio Hubs of Innovation and Opportunity (OHIO) program would create at least a dozen targeted investment zones near research centers and universities across Ohio. There, young companies would have access to talent, investment capital and business advice.

Fisher, who doubles as Ohio's director of development, identified the hub initiative as one of his top priorities from the state's new economic development strategy, unveiled last month.

In a recent interview with the Business Courier, Fisher promised more details will be disclosed in the [Ohio Department of Development](#)'s 2009 budget request early next year. But he also described how he expects the hubs to work and said Cincinnati should be able to capitalize on the program.

"I'm confident there will be resources set aside to be able to launch the program either on a statewide or pilot basis in 2009," Fisher said. "The ideal amount of resources would enable us to get the program fully launched and implemented, but given the tight budget, we may end up funding one or more pilot projects in different regions."

Fisher said Ohio's innovation hubs will use proximity and a shared focus on industry clusters to maximize the impact of new ideas in such fields as bioscience, aerospace and aviation, environmental technologies and distribution and logistics. He plans to work with local governments and business leaders in each of the state's 12 economic development regions to identify at least one hub per region.

Cincinnati is part of a region that includes Hamilton, Butler, Warren and Clermont counties.

“We’re leaving open the possibility of some regions having more than one hub,” he said. “It’s premature to say where each of the hubs would be, but I think we’ll begin by identifying all of the key knowledge centers in the southwest Ohio region.”

More knowledge centers, the better

Universities, hospitals, research and development centers and community colleges would be considered knowledge centers around which hubs could be built. So would Ohio’s Edison Centers, including TechSolve, a Bond Hill nonprofit that conducts research on advanced manufacturing processes.

“Our view is the more knowledge centers within a hub, the better,” Fisher said. “We’ve not identified a minimum or maximum size. They need to be large enough to accommodate a nucleus of companies, researchers and support systems. At the same time, geographical proximity is one of the big reasons why these things succeed. We want to be in an area where, God forbid, if you lose your job, you can find a new one and still keep your parking place.”

The Ohio hub program is loosely based on a Pennsylvania initiative that produced 29 Keystone Innovation Zones since 2004, said TechSolve President Gary Conley, who is advising the state on an overhaul of its economic development incentive programs. Conley said Fisher wants Ohio’s hubs to operate like Pennsylvania’s Keystone zones, which were created as part of a \$1.1 billion economic stimulus package four years ago.

Each of Pennsylvania’s zones have received at least \$250,000 in startup funding. They’ve all chosen focus areas, including life sciences, energy innovation, information technology and advanced manufacturing. The state makes \$25 million in tax credits available to the zones each year and awards grants to pay for business plan and marketing analysis, prototyping and patent research.

“This program creates a ‘knowledge neighborhood’ in which educational institutions, developers, businesses, capital sources and community leaders can connect with one another quickly,” said the state’s Web site, which boasts that 572 companies created 2,769 jobs in Keystone zones since 2004.

UC would be ‘a very safe choice’

Conley said the [University of Cincinnati](#) would make an ideal anchor for a Southwest Ohio hub, given that the [Uptown Consortium](#)’s 2005 plan calls for the creation of a “technology corridor” that would attract companies that feed off research at UC and Children’s Hospital Medical Center.

“It’s a very safe choice,” Conley said. “You could expect to get significant return on investment since there’s so much going on there anyway.”

University of Cincinnati President Nancy Zimpher said the Genome Research Institute might make “a more interesting locale” for a local innovation hub, based on recent internal discussions

at UC about transforming the Galbraith Road biomedical research facility into “a discovery park” where technology-based companies could lease space.

“I see the University of Cincinnati as an innovation hub right now. Our goal would be to broaden that engagement to be a convener of innovation across the region,” said Zimpher, who adds she’s yet to talk with Fisher about the specific role UC might play in the hub initiative.

Cincinnati Councilman Chris Bortz said the best local site for Ohio’s first innovation hub would be the Queensgate area, which planners involved in the “Go Cincinnati” initiative identified as an area ripe for the development of research and office space for companies engaged in green manufacturing and construction techniques.

“If we want to advance a different opportunity, we need to advance a different area,” Bortz said. “We’ve got a lot of energy already focused on downtown, Over-the-Rhine and Uptown. But we can’t be a city of just two job centers. That’s what Go Cincinnati is all about.”

But the impact of the state’s newest economic-development weapon might be muted by Ohio’s struggling economy, according to Fisher, who is months away from determining how much he’ll be able to spend on the hub initiative. If he’s forced to scale back the program to a single hub in 2009, Conley predicts Cincinnati would face formidable competitors in other parts of the state.

“I’m sure Columbus would weigh in heavily,” Conley said. “And you’ve got the University Circle folks in Cleveland, an area that includes Cleveland Clinic, [Case Western Reserve](#) and all the hospitals there. Like Uptown, they’re very organized and they’re very hungry as a community.”