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Funding idea posed for institute

Legislature would be asked to divert part of sales tax collected in Spokane area

By [Richard Ripley](#)

The backers of the proposed Institute for Systems Medicine here are weighing the idea of asking the state of Washington to help fund the institute with sales and use tax money that's now collected here and sent to Olympia.

To tap such a funding source, the backers likely would need the Washington Legislature to create a special health-research and services zone or district, says Tom Paine, director of government relations for Avista Corp., which is working to help establish the institute.

Institute proponents don't know yet exactly how much money they would seek to raise from diverted tax receipts, Paine says.

"Obviously, this has to be fine-tuned," he says. "It really gets down to what (Senate Majority Leader) Lisa Brown is comfortable with, what our local-area legislators, both Democrat and Republican, are comfortable with, and what the governor is comfortable with."

In some cases, Washington law provides for tax money that otherwise would go to Olympia to be diverted for local use, such as a 0.08 percent economic-development incentive tax that the state allows some rural areas to retain from locally generated sales and use tax money, Paine says.

While Spokane isn't a rural county, it has a weaker economy and more poverty than other urban counties in the state, and because of that it might be possible to persuade the Legislature to approve diversion of some tax money to fund economic development here, he says.

The institute's backers have discussed urging the Legislature to dedicate a 0.1 percent tax to the institute, Paine says. Ideally, the state would pick up the tab, and the sales-tax rate wouldn't go up in Spokane County, Paine says. He says that because Spokane County is a border county, if the sale-tax rate increased here, Spokane County businesses would become less competitive with businesses in Idaho, which has a lower sales tax.

Paine says that when the Translational Genomics Research Institute was launched in Phoenix in 2002, the city of Phoenix and Maricopa County, Arizona made "significant" financial contributions.

"What we saw in Arizona was complete support from the federal, state, county, and city levels," Paine says.

The institute here has been in the planning stages for two years. It is being touted as a mechanism to spur the recruitment of high-powered experts and to encourage cutting-edge research to help Spokane capitalize on coming medical advances.

Lewis Rumpler, chief operating officer of the nonprofit Institute for Systems Medicine Planning Authority, which will go out of existence when the institute is formed, says the institute's backers hope to harness the economic potential of the health-care and higher-education sectors here, which Rumpler calls "the largest economic engines in the region."

He says backers believe the institute could provide as much as \$100 million in its first five years to help attract biomedical scientists, mathematicians, computer scientists, engineers, physicists, and other experts to Spokane. They hope that as many as 250 highly qualified experts, who would earn an average of \$80,000 a year, would be wooed to Spokane in the institute's first three or four years of work.

Such experts are needed to help the health-care and education sectors here blaze trails into medicine's new frontiers, which have been opened up by the mapping of the human genome, says Rumpler. He says that visionaries such as Dr. Leroy Hood, who established the Institute for Systems Biology, in Seattle, and is a key backer of the institute planned

here, believe that the mapping of the human genome, completed just three years ago, will enable medicine to become predictive rather than reactive.

Human genome mapping

Medicine will do that by expanding its ability to see why people get sick or might get sick, rather than concentrating on finding cures for people who are sick, Rumpler says. He says the mapping of the human genome has given researchers new ways to discover genetic anomalies that signal why individuals have disease or might be likely to get disease, such anomalies will be discovered in great number in the next few decades, and new technologies will be developed to cure people or to keep them from getting sick.

As medicine proceeds on such futuristic courses, communities that attract experts in a wide range of scientific disciplines will augment their health-care and higher-education sectors, while communities that don't will see those sectors stagnate, Rumpler says.

"If we don't deploy indigenous biomedical research in this community, we might not be competitive in health care," he says. "This is really about recruiting talent into Spokane."

He adds that a private institute can be much more entrepreneurial than the public institutions that have driven health-care advances in the past, and that the institute here "hopefully will be focused on spitting out new companies."

Still, he says, it's hard for hospitals and universities, which face tight budgets, to find money to attract top-level new talent. The institute, Rumpler asserts, could provide cash to help hospitals and universities pay attractive salaries and provide joint appointments here to incoming scientists. He says such appointments would enable high-powered researchers to plant one foot in the Spokane-area health-care sector and one foot in academia, enabling them establish and maintain contact with other experts in both sectors, which is seen as a key to stimulating research efforts.

Spokane's two biggest hospital operators, Empire Health Services and Providence Health & Services, along with Spokane County and Avista Corp., are backing the idea of creating the institute. Hospitals stand to gain by attracting leading health-care practitioners who are involved in clinical trials of the latest medications and procedures, Rumpler says. Such practitioners often can make the latest medications and procedures—even though they're still experimental—available to patients, he says, adding, "The hospitals are extremely hungry to get that to their patients."

The institute planning authority already has leased 6,000 square feet of space in Sirti's new technology building here. So far, the planning authority has raised \$3 million, with the state of Washington providing \$1 million, Spokane County approving \$250,000 a year for two years, and Avista putting up \$100,000. Paine says that's far less than the \$150 million the institute would hope to have in its first five years, which would include money for a building, but it plans to seek federal and state money and foundation money, and planning authority Chairman John Stone, of Spokane, will work to raise \$15 million in private funds. Paine says it's hoped that the state's Life Sciences Discovery Fund, which is funded with money from Gregoire's "incredibly effective work on the tobacco settlement" while she was Washington's attorney general, also would be tapped.

Rumpler says the institute's backers persuaded the U.S. House to include \$500,000 for the institute in its 2007 annual budget legislation for the Defense Department, but the U.S. Senate cut the money because of other pressing needs.

Nonetheless, Rumpler claims that the institute's backers made a sound case to a key Senate committee that the U.S. government should determine whether Gulf War Syndrome, which ails many veterans of the first Gulf War, might be caused by genetic anomaly rather than by what they encountered during the war.

Government officials know that there's a problem, "but they don't know how it's working biologically," Rumpler says. "We offered one of the first possible logical explanations. It's very clear to me that if we don't get (the money) in '07, we'll get it in '08."

Planning advances

Currently, agreements are being negotiated to cover the affiliation of Empire Health Services, Providence Health & Services, Washington State University, and Gonzaga University with the institute, Rumpler says. He adds, "We're moving from the planning phase to implementation."

Officials and business leaders have been trying for some time to spark affiliations between health care and higher education here by promoting development of a University District east of downtown, and Paine says the institute “is kind of the killer application for the University District.”

The institute’s backers say they hope that the institute could help Spokane become a center for what are called “first-in-man studies,” or studies in which new medications are given for the first time to people, as opposed to laboratory animals.

In recent years, Spokane increasingly has been a site for studies of new drugs. Those studies, though, have tended to be later-stage evaluations done simultaneously at numerous locations around the country after medications already have been given to patients for the first time in earlier—and much more high-profile—studies, the institute’s backers say.

They also would like to see a genomics clinic developed here. Rumpler says that as scientists do more genetic analysis of disease, the discovery of genetic anomalies is leading to dramatic cures.

Contact Richard Ripley at (509) 344-1261 or via e-mail at editor@spokanejournal.com

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