

## Biomedical research may get boost

### Legislature OKs sales tax money for proposed Spokane health authority

Parker Howell

Staff writer

April 28, 2007

A Spokane private, nonprofit biomedical research center is a prime contender for a potential tens of millions of dollars Washington legislators authorized this session to spur medical research and economic development, a local lawmaker and center leader said.

The Institute for Systems Medicine, a newly forming project by regional universities and hospitals that will aim to discover earlier diagnostics and better drugs, may vie for state sales tax money routed to a new "health sciences and services authority" covering the Spokane area – if Spokane County commissioners and the state Higher Education Coordinating Board sign off on the idea.

"We're very interested in seeing the legislation enacted," said Lewis Rumpler, chief operating officer of the Institute for Systems Medicine Planning Authority. "It's certainly an opportunity for us to secure a long-term revenue stream" without needing a new tax, he said.

Authorized by House Bill 1705, the funds would come from a 2 cents per \$100 credit on state sales tax in the area overseen by the new authority. The authority would be intended to "promote bioscience-based economic development and advance new therapies and procedures to combat disease and promote public health," according to the bill.

State financial predictions based on Spokane County estimate the bill would generate nearly \$11 million through 2013 – money that could be bonded by Spokane County. The funding source would expire in 2023.

"This really has the potential to create economic development for the future," said state Sen. Chris Marr, D-Spokane, also a part of the institute's planning authority. The bill, expected to be signed into law by Gov. Gov. Chris Gregoire in Spokane on Tuesday afternoon, provides "proof of concept" by the state for the institute, and receiving money would allow the organization to raise other donations, Rumpler said.

Although other local governments serving counties with less than 1 million people could compete for power to create the authority, local lawmakers sponsored the bill, and area medical concerns lobbied for it.

"What we decided a few years ago is we have a tremendous amount of potential around both higher education and health care, and if we can figure out a way to capitalize on that, that really kind of represents the key to our economic future in Spokane," Marr said.

Marr said he believes county commissioners will approve the authority, and Rumpler said he was "very confident" that Spokane will successfully compete for it.

Commissioners could not be reached by press time Friday for comment.

If created by the county and approved by the state higher education board, the authority would overseen by a board of as many as 14 members selected by the governor, county commissioners, Spokane Mayor Dennis Hession and the board itself. The board would control the tax credit money and have power to contract with public and private research entities, such as the institute or Project Access, another organization that lobbied for the bill.

A volunteer network of over 800 physicians and other healthcare providers sponsored by the Spokane County Medical Society, Project Access donates medical services to uninsured, low-income county residents.

Marr said many people support genomic or genetic approach to medical research, so sponsors wanted to include Project Access as a funding candidate because it provides wide benefits for the community.

The institute may have an advantage asking the board for funds.

"(The bill) was constructed knowing that in all likelihood, the ISM proposal is the only one that really fits those parameters," Marr said.

With founding partners including Washington State University, Gonzaga University, Empire Health Services, Providence Health Care, the institute may be running by July 2008, Rumpler said.

"The institute is a very advanced idea, and I think it's a compelling investment both for our community and for the state," he said.

The institute hopes to raise \$110 million for its first five years, Rumpler said. It has received about \$3 million from private and government donors.

"A lot of states are into efforts like this, and the ones that are going to be successful are going to be building on existing efforts and existing competitive advantage, and it looks like that's what's going to happen," said Marc Baldwin, economic development advisor to the governor.