

Venture capital is blowing through the Columbia Gorge

by Keri Brenner, special to The Oregonian

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HOOD RIVER COUNTY ECONOMIC DEVELOPMENT DEPARTMENT

Jeff Fetkenhour, owner of Gorge Analytical, prepares a biodiesel sample for analysis last week in Hood River. The startup, which provides consulting and analytical services to producers, distributors and consumers of biofuels, is one of more than a dozen startups in the Columbia Gorge competing Sept. 23 at the Gorge Angel Conference for \$100,000 in financing.

HOOD RIVER -- To venture capitalists like Mark Adams, the Columbia Gorge looks like an attractive and fertile troling ground for startup investment, especially in the fast-moving clean-technology sector.

Adams heads Hillsboro-based Intel Capital, which recently has announced backing for solar energy companies in Hillsboro and Germany and a "smart grid" energy firm in California.

On his own time, he kayaks and snowboards, and although he doesn't do any of the gorge's signature wind sports, he ran in this weekend's Hood to Coast relay. With homes in Portland's Sellwood neighborhood and in Hood River, Adams is among a growing legion of Northwest investors drawn to the gorge.

Reasons include the area's plentiful outdoor recreation, its rich reserves of alternative energy resources from wind, solar and hydroelectric power, and -- of no small importance -- a burgeoning pool of high-technology talent streaming from such employers as unmanned aircraft firm Insitu in Bingen, Wash., and search engine leader Google Inc. in The Dalles.

"We're not too far away from Portland, and some investors already have second homes here," said Bill Fashing, coordinator of the Hood River County Economic Development Department.

Two upcoming events are intended to solidify the area's prospects:

The first Gorge Angel Conference on Sept. 23 will showcase local startups competing for \$100,000 in seed money.

A three-month so-called boot camp for clean-tech startups next summer in Hood River will train 10 entrepreneurs.

"We're trying to raise awareness about angel and venture funding to a level that has never been known before in the gorge," Fashing said.

At the inaugural gorge investment event, partly organized by Fashing's agency, more than a dozen startups will compete for seed money from the Gorge Angel Investment Network, a private firm that has support from area economic-development partners, such as Fashing's group.

Entrepreneur Allen Barteld, who has homes in Hood River and Vashon Island, Wash., is both a participant and an instigator in the push for the gorge's clean-tech investment. Barteld, an Oregon-licensed attorney and co-founder of a legal-software startup, The Associates LPO, expects to pitch his firm to investors Gorge Angel Conference.

Barteld and a team of private investors also will begin accepting applications Sept. 8 for a nationwide competition for the clean-tech boot camp. The team expects to select winners by March, Barteld said.

The competition will be in clean-tech sectors that are extrapolated, in part, from a new book, "The Clean Tech Revolution," by Portland writers Ron Pernick and Clint Wilder. The categories include: clean energy; energy storage; smart power; green building; transportation; air, water and waste; materials; manufacturing and industrial; food and farms; apparel and footwear; green information technology; and green business.

"Clean tech refers to any product, service or process that delivers value using limited or zero nonrenewable resources and/or creates significantly less waste than conventional offerings," Pernick and Wilder explain in the book.

At the boot camp, Barteld's team, Cleantech Start-Ups Inc., expects to invest up to \$20,000 per company in exchange for up to 10 percent equity in each. The team, which aims to shepherd the companies past the \$500,000 to \$2 million financing hump into the major venture-capital arena, also will groom each startup for pitches at a venture capital conference at the Oregon Convention Center in Portland in fall 2009.

The Port of Hood River will provide space for the boot camp at one of its office buildings along the Columbia River, Barteld said. Regional events leading to the boot camp also will take place around the country next spring, he added.

"Building partnerships"

"We're building partnerships with private companies of all sizes, investors of all sizes, and also with public agencies," he said. "We're trying to get as many people involved as possible."

Barteld said clean technology "should be the Northwest's home run" in venture capital financing, but it won't be unless someone sets the stage.

"For VCs to invest here, something has to happen here," Barteld said. "The Northwest, especially Portland, should be leading this," he said, but right now other venues such as California and Seattle are way ahead.

Hood River County Commissioner Maui Meyer said he is working in the same direction, but on a regional stage with government agencies. Meyer is a partner in CGBREZ, a new interstate five-county renewable-energy team of elected officials that is lobbying federal officials for support in developing clean-tech resources.

"We're promoting large infrastructure investment, community infrastructure investment and alternative energy tax credits," Meyer said. "We need to engender a very large transformation of our infrastructure in order to create what is going to keep us going for the next century."

Meyer said he supports Barteld's idea and the concept of the gorge as an epicenter for green-tech investment.

"There's no more logical place to do it than a place like Hood River," Meyer said.

At the same time, Meyer said, part of the vetting for startup firms in Barteld's program should be a clear focus on the principles of clean technology and away from so-called greenwashing, or efforts without substance to jump on the clean-tech bandwagon.

"To the extent that somebody can come here and learn what our systemic advantage is, and transfer that to the DNA of a company, that's great," Meyer said. "To the extent that they abuse it, that's probably not in anybody's best interests."

Meyer said the question should be, "Do you get what sustainability is, or are you just here to greenwash?"

"We don't need another sustainable pizza maker in this town," he said.

Brad Schrick, an Insitu executive involved in business development, said he has watched multiple startups flourish in the gorge. Those include two electric bicycle companies; Summit Projects, an online design, marketing, advertising and development firm; Full Sail Brewing Co.; and Dakine sportswear and gear providers.

"Lifestyle entrepreneurs"

"I call them lifestyle entrepreneurs," Schrick said. "The founders love the area, end up moving here, and then scratch out a business to support staying here."

Most notable of those is his own firm, Insitu, started 14 years ago by engineer Tad McGeer, who came to the gorge to find a rural community where he could fly robotic airplanes undisturbed. Now a 360-employee company that Boeing bought for \$400 million, Insitu is perhaps the poster child for tech startups in the gorge.

"The question is," Schrick said, "can the gorge do it again?"