

fall 2009



sirti

# spotlight

## Barr-Tech receives \$2 million and the Sirti Foundation receives \$250,000 in stimulus funding from the State Energy Program

On October 5th, Governor Gregoire and the Washington State Department of Commerce announced the recipients of more than \$20 million in grants and loans from the American Recovery and Reinvestment Act for energy efficiency, renewable energy and clean technology programs throughout the state. Nineteen companies and organizations were selected from the 120 applications submitted. Barr-Tech, a Sirti client, received \$2 million and the Sirti Foundation received \$250,000. The funding is intended, in part, to address a specific goal to reduce energy consumption by at least 25 percent of the state's 1990 per capita energy use by 2012.

"Washington state is a proven leader in clean energy innovation and job creation," Gregoire said. "We've seen growth in wind and solar power, as well as innovative new technologies like anaerobic digesters. These investments will ensure our state remains a leader in the clean-energy sector, and will push us further toward meeting our environmental goals."

The nineteen private and public projects were selected based on their ability to:

- Implement a project that will produce tangible results
- Create or retain jobs in Washington
- Leverage other funds
- Increase energy efficiency and production to, in turn, reduce energy costs and consumption for consumers, business and government.



**Barr-Tech, LLC**, one of Sirti's clean-tech start-ups, has been awarded a \$500,000 grant and a

\$1.5 million loan to help finance an anaerobic digester to convert food waste and other waste materials into methane that will be used to produce renewable power.

The anaerobic digester is part of a 40-acre clean-energy park developed by Barr-Tech located in Lincoln County along the 1-90 corridor and 22 miles from the Spokane metropolitan area. The Barr Regional Bio-Industrial Park, which began construction in May, is an integrated clean-tech project dedicated to recycling organic material and converting it to renewable energy, beneficial soil amendments, and

Continued on page 6

## Director's Take

As we close on a year that will likely be cited in history books as the most difficult business environment since the Great Depression, blame is cast and solutions are sought. It is easy to lose sight of what **is** working, when the news focus is often on what **isn't** working. The Sirti Technology Growth Fund and the Sirti Model for accelerating innovative companies are programs that **are** working.



Kim Zentz

The initial \$3 million revolving Technology Growth Fund, made possible by a grant from the U.S. Department of Commerce Economic Development Administration and matched by a consortium of community and regional banks and businesses, is now fully subscribed with 11 business acceleration loans to Inland Northwest technology companies. As these loans are paid-down, funds become available for new business acceleration loans. The fund was originally designed to promote economic growth by closing the gap in funding for start-up, emerging and expanding technology-based companies. However, this year it proved to be a critical source of growth capital for our area's innovative companies. Since May of 2007: 11 business acceleration loans totaling \$3,145,000 has been loaned to 10 companies with a total of 27 patents assigned or pending, to launch their innovative products or expand sales. With critical growth capital, every company has secured strategic sales and partnership agreements and, to date, over 23 additional technology jobs have been created and 47 technology jobs have been preserved. The economic impact has just begun to be felt.

In addition to garnering a reputation as the 'go to source' for growth capital, Sirti is an incubator and the business accelerator for technology-based growth businesses in the Inland Northwest. From the idea stage to profits and jobs, the Sirti team of experienced technology entrepreneurs help other technology entrepreneur's jumpstart their dream and rapidly build a business. From this help has come additional job creation and economic growth for the Inland Northwest.

I encourage you to read this newsletter from front to back. You'll be delighted to learn about a number of Sirti clients' novel innovations and the success they are earning on multiple fronts. They definitely deserve the spotlight for their contributions to our region's economic recovery.



## ReliantRx, Pacinian, and Sirti's Mike Urso reach final round of Catalyst Awards

A finalist for Company of the Year, **ReliantRx** came to Sirti in 2007 with an innovative approach to more effectively serve the needs of long term care facilities. The company developed a unique closed-door



pharmacy model that uses state-of-the-art software and delivery scheduling techniques

to deliver prescriptions, medication management and health services to all levels of Long Term Care, HIV/AIDS, nutritional and Enteral therapy, and mental health patients. Two short years later, ReliantRx has 20 employees, services 92 facilities, and has filled 157,906 prescriptions. [www.reliantrxwa.com](http://www.reliantrxwa.com)

**Jim Schlosser** and **Cody Peterson**, finalists for Innovators of the Year, founded **Pacinian** and developed revolutionary HapticTouch™ technology, designed to



transform the way people experience the sense of touch on digital user

interface devices such as touchscreens, touchpads, and keyboards. Using active layers and a proprietary electronics chipset, HapticTouch is a surface actuating system engineered to enhance products in a wide array of applications and industries. [www.pacinian.com](http://www.pacinian.com)

**Mike Urso**, a finalist for Mentor of the Year, is the Senior Principal Consultant for Sirti. When he joined Sirti three years ago, Mike brought 21 years of experience with Dow Chemical Corporation and 5 years with Potlatch



Corporation. In short order, Mike began to make a significant impact on Sirti's

technology-based entrepreneurial clients. Mike was the driver behind the development of the following customized client workshops: Account Planning, Strategic Planning, Business Model, Value Proposition, Value Pricing, Marketing Plan, Market Research and Pricing Strategy. Perhaps, most importantly, Mike had the vision and the spirit of collaboration to bring together strategic partners to create the Sirti IP/BizNet Legal Services Program.

## RANDL Industries, Inc. proves the power of an innovative idea

**RANDL Industries**, a Sirti client based in Spokane Valley, has turned a simple but powerful idea into a growing, thriving company with an international client list that includes the Pentagon, Siemon, Siemens, The US Food and Drug Administration, Kennedy Space Center, Microsoft, Washington State University, The University of Washington, Stanford University, The Mayo Clinic, The Cleveland Clinic, and many others.



Robert Hagarty, RANDL's Founder and President, conceived the idea for the company's "5 Square®" Boxes while working as a construction foreman and site supervisor, where he was often frustrated with faulty, inefficient installation equipment — especially the standard "backbox". Finding the number of ground faults and short circuits unacceptable, he set out to devise a backbox product of his own.

Hagarty designed the 5 Square Boxes specifically to allow more reliable and cost effective installations in the fire protection industry. A few years later, Hagarty and his brother, a network design engineer, improved the basic product by developing and patenting an essential cable management system for the telecommunications industry. The patented products, some of which are manufactured in Spokane, feature increased interior volume, specialty plaster rings, and high-speed copper and fiber optic cable management. The 5 Square products were designed to accommodate increased appliance sizes and ensure proper functionality of cabling and connecting hardware by providing appropriate spaces and cable environment.



The results are installation boxes that save hours of troubleshooting time caused by ground faults and short circuits as well as provide the minimum bend radius for high-speed copper and fiber optic cables. The 5 Square products reduce both initial and long term operating costs, and ultimately, the total cost of ownership.

Today, 5 Square products are installed throughout the world in government organizations, corporate headquarters, and universities. RANDL Industries is also negotiating several global distribution agreements and preparing to expand the company's management team to handle increased demand.

To learn more, visit [www.randl-inc.com](http://www.randl-inc.com).

## Pacian adds to management team, launches website

**Pacian, developer of revolutionary HapticTouch™ technology, has recently added two Northwest technology veterans to its growing management team.**

**Mike Wilson** is serving as the acting CFO. He brings to Pacian over 25 years of Senior Finance Executive success for both start-up and turnaround companies in several industries. Mike was the CFO for Vivato, Inc., a venture-backed Wi-Fi start-up, where he established all accounting and reporting systems and was integral in acquiring more than \$64 million in equity investment. With Advanced Input Devices, Mike assisted in the sale of the company to Esterline Technologies in 1999 for \$43 million.

**Brad Telin** has joined Pacian as the Director of Operations. He is a seasoned operations executive with broad operations experience in supply chain management, project management, quality assurance, logistics and Lean Six Sigma. Prior to Pacian, Brad was Director of Operations for General Dynamics – Itronix where he oversaw a 250+ person operations business unit



focusing on new product introduction, supply chain, test and manufacturing engineering, and program management.

Pacian has also launched its website, a collaboration between Sirti's Market Development and Communications staff and **SiteCrafting**, a web development firm located in the Sirti Building on Riverpoint Boulevard. Learn all about Pacian and their technology at [www.pacian.com](http://www.pacian.com).

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## IVUS Energy Innovations wins Idaho Innovation Award

**IVUS Energy Innovations**, a Sirti client and Sirti Technology Growth Fund recipient, was the winner of the Commercialized Innovation of the Year award by the Idaho Innovation Awards Program. IVUS Energy Innovations is a product and technology development company committed to bringing alternative energy technology to rechargeable products. Their pat-



ented Flashpoint™ Power Technology transforms rechargeable products with a powerful, green energy alternative to

traditional rechargeable batteries. Products using FlashPoint Power Technology recharge in seconds, last tens of thousand of charges, and require zero maintenance. Their first product, the Light for Life™, has been launched worldwide and was also selected as the product of the month by Popular Science in July 2009. In addition, the product received strong reviews by Wired Magazine and CNET. By year end, 75,000 units will have shipped worldwide to 26 different countries. To learn more, visit [www.ivusenergy.com](http://www.ivusenergy.com).

## AuctionPipeline attends NAAA Conference

**AuctionPipeline**, an innovative web-based network for independent auctions in the auto remarketing industry, recently attended the National Auto Auction Association Convention in San Francisco. Despite weak overall market conditions, AuctionPipeline continued to receive strong interest from independent auctions throughout the country.



The company is on the cusp of closing new agreement deals and is pursuing several new leads generated at the

show. Sirti's Market Development and Communications staff developed booth graphics and a full-color brochure in preparation for the event.

Located in the Sirti Technology Center, Auction Pipeline's online platform allows auto dealers to bid on remarketed vehicles online from anywhere in the country. To learn more about Auction Pipeline, visit [www.auctionpipeline.com](http://www.auctionpipeline.com).

# Entrepreneurial brothers launching unique bio-industrial park

Written by Mike Flynn

Posted on Flynn's Harp 11/12/2009

[www.emikeflynn.com/blog](http://www.emikeflynn.com/blog)

Larry and Ted Condon, capitalizing on past entrepreneurial successes and buoyed by a supporting cast that most entrepreneurs could only dream of, are about to launch a first-of-its-kind bio-industrial park. It will be designed to resolve most of Eastern Washington's organic-waste challenges while generating renewable energy.

When they first began exploring the idea for the facility two years ago, the question they asked themselves was "if we build it, who will come?" The answer to that ranged from municipalities seeking to dispose of their waste to Washington State University Department of Biological Science for experimentation to partners in need of green-generated energy.



Thus emerged the \$14 million Barr Regional Bio-Industrial Park, a unique organic waste processing facility located on 40 acres adjacent to interstate 90 in sparsely populated Lincoln County, about 22 miles west of Spokane. Its first phase, a composting facility, is to be operational by January with renewable energy generation to come by August.

At that point the facility will be generating 2-3 megawatts of continuous renewable energy, according to Ted Condon, who is managing partner in the venture. And the company they formed, Barr-Tech, LLC, will be "operating in the black by the end of the first year," he added. "Then we'll be looking for other sites to replicate this."

"We actually already been approached by other communities beyond Washington State who want to have us do this," Larry said. "But we want to get this done first and not lose our focus. Then we'll look to find other sites, and investors for those."

The majority of the "feed stock" for the bio-industrial park is expected to be drawn from metropolitan Spokane, which still must award a couple of contracts next month and those are important components of the first-year outlook for Barr-Tech.

Spokane-based Sirti, a state economic development agency that serves as incubator and accelerator for innovative technology-based companies in the Inland Northwest, has taken the fledgling company under its wing to provide office space and help with business plans, brand development and market launch.

Meanwhile, Barr-Tech and the tiny Odessa Public Development Authority, which holds the property under an arrangement by which it is leased back to the company, are partnering to recruit other sustainable businesses to the Barr Regional Bio-Industrial Park. That would basically make the facility an incubator for compatible businesses.

The partnership has already attracted attention from governmental entities that helped provide funding, including a Governor's Best Practices Award at a state Workforce and Economic Development Conference last month.

The supporting cast alluded to above includes Sen. Scott Barr, a 92-year-old former legislator who owned the land, a Spokane business man with long experience in waste management and hauling as lead investor, a tiny public-development entity as partner, and state and federal agencies that provided funding.

Larry, 42, and Ted, 38, had both been successful entrepreneurs before teaming up with local businessman Jack Gillingham two years ago to create Barr-Tech and put together the pieces of the puzzle that became the waste processing facility.

Gillingham, who had long experience in the refuse hauling business, had the money to support launch of the project and told the Condons: "We're not going to cut corners on this. We're building the future and we're going to spend the money to build the best."

The project got no small boost from the federal stimulus dollars available for projects described as "shovel ready." "Heck, with work already under way on the site, we were already 'shovel dirty' when we applied for the funds," Larry joked.

The project has gotten \$8 million in funding from state and federal agencies, with "the energy-generating greenness of the project a big boost for funding," according to Larry Condon.

The Condons are in the final stages of putting together an arrangement to sell the power to an Oregon-based co-op to help fulfill a State of Oregon requirement for utilities to buy a certain amount of their power from "green-generation."

The Condon brothers are part of an entrepreneurial Spokane family whose businesses operate under the Condon Brothers Inc., banner. Those businesses have ranged from Christmas Trees (which all the brothers helped sell from teen-age years) and firewood from their land, to heavy construction, and the family business even became part of a 21-company rollup in the late 90s that emerged as the public-company Railworks.

Larry took his own entrepreneurial path when he went to Boston to join another brother in creating the seven-

Continued on page 6

## Sirti welcomes off-campus clients

**Flyback Energy, Inc.**, an emerging clean-tech company in Spokane Valley, WA, is developing electronic systems and devices based on the pioneering research of the Company's founders in the areas of electrical induction and magnetic mass. Flyback Energy is commercially adapting its proprietary technologies to a wide range of electrical systems, providing cost-effective solutions to a growing number of energy concerns. By developing products that use electrical power much more efficiently than current technology, Flyback Energy will help fundamentally improve our quality of life by preserving our environment and resources. [www.flybackenergy.com](http://www.flybackenergy.com)



**Zydax**, based in Walla Walla, WA, is the developer and manufacturer of patented, high quality, high value, intelligent environmental sensors that allow federal, state, and county governments to receive accurate, real-time roadway conditions, including air temperature, road temperature, relative humidity, dew point, freeze point, and more. Unlike competing products, Zydax Intelligent Sensors require no calibration or maintenance, utilize open source software, and offer unrivaled performance, accuracy, flexibility, and value. [www.zydax.com](http://www.zydax.com)



## Sirti welcomes new on-campus clients

**Softechnologies**, headquartered in the Sirti Technology Center, is a provider of business and technology solutions for the mobile enterprise. The Field Mobility Suite of mobile applications targets the small-to-medium business mobile marketplace. Through a sustainable practice of professional services, Softechnologies delivers configured mobility solutions for enterprises and the utility industry. [www.softechnologies.com](http://www.softechnologies.com)



**PK Consulting**, located in the Sirti Building on Riverpoint Boulevard, assists clean-tech companies in their journey toward realization and expansion with planning, capital raise, permitting, and ultimate site development services. Based on 18 years of work in Eastern Washington rural counties, PK Consulting has a regional focus with a particular emphasis on the beneficial economic outcomes of rural/urban partnerships. [pkconsult@comcast.net](mailto:pkconsult@comcast.net)

## NCA graduates

**Network Computing Architects, Inc. (NCA)** has graduated from Sirti and moved into their new location in Spokane Valley. The company provides advanced network security and IP productivity solutions and services. [www.ncanet.com](http://www.ncanet.com)



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## Signature Genomics receives two Innovator of the Year awards



**Signature Genomics** co-founders Dr. Lisa G. Shaffer, Ph.D. and Dr. Bassem A. Bejjani, M.D. received the 2009 Inland Northwest Catalyst Award for Innovators of the Year. Signature Genomics is the market leader in cytogenetic analysis services utilizing microarray based technologies. Their genetic diagnostic approach allows for fast, thorough chromosome analysis in individuals with unexplained physical and neurological deficits such as mental retardation and autism.

Additionally, Dr. Shaffer and Dr. Bejjani were recently honored by the publication *Seattle Business* when they received the eighth spot on the Top 25 Innovators and Entrepreneurs of 2009 list. Signature was second among biosciences companies on the list.

Signature graduated from Sirti in June of 2008 when they relocated to their own 18,500 square foot, state of the art facility that was custom-tailored to accommodate their continued rapid growth. Signature now employs 107 employees and is anticipating continued growth as they prepare to launch a new microarray test to be performed on oncology patients in 2010.

To learn more, visit [www.signaturegenomics.com](http://www.signaturegenomics.com).

## Barr-Tech receives \$2 million and the Sirti Foundation receives \$250,000 in stimulus funding from the State Energy Program

### Continued from page 1

compost. The publicly owned park is a joint effort between public entities, and private developers, and clean-tech companies.

When completed, Barr-Tech estimates the park will process a minimum of 100,000 tons of yard waste, food waste, bio-solids, as well as construction, demolition and land-clearing debris. The project will create green collar jobs, generate clean energy, offer enhanced commercial recycling opportunities for local companies, and reduce regional carbon emissions. (Read "Entrepreneurial Brothers Launching Unique Bio-Industrial Park" article by Mike Flynn on page 4.)

**"...the Sirti Foundation was selected based on our proven ability to implement a project that will produce tangible results and create or retain jobs in Washington."**

**Kevin Cable, President of the Sirti Foundation Board**

The Sirti Foundation was also announced by Governor Gregoire and the Washington State Department of Commerce as the recipient of a \$250,000 loan as part of the Federal Recovery and Reinvestment Act. The loan is intended to be utilized as part of the Sirti Foundation Energy Innovation Fund designed to stimulate clean energy innovations that will increase energy efficiency, reduce reliance on imported energy and improve reliability.

"We're pleased and honored that the Sirti Foundation was selected from the 120 applications to receive funding", said Kevin Cable, President of the Sirti Foundation Board. "It is particularly gratifying that the Sirti Foundation was selected based on our proven ability to implement a project that will produce tangible results and create or retain jobs in Washington."

## Entrepreneurial brothers launching unique bio-industrial park

### Continued from page 2

kiosk chain of coffee spots called Coffee Brothers, which eventually was sold to a competitor of Dunkin' Donuts. Then he came back to Seattle to launch Hearth Bread Bake House, a bread company that he grew to a 75-employee firm before selling to Sara Lee three years ago.

Ted stayed in Spokane to play a key role with Railworks after the rollup and with the family-owned American On-Site Services, a firm that provides portable restrooms, fences, storage containers, and roll-off dumpsters to customers in Eastern Washington and Northern Idaho.

"Every business we've ever built was done on a shoestring, except this one," said Larry Condon. "Gillingham didn't know the creativity he released when he said, 'build the best.' While we all have skin in the game, for the lead investor to say that is an entrepreneur's dream."

## Innovation Partnership Zone commemorates completion of Datacenter



The Riverpoint Campus Datacenter, a state-of-the-art information technology hub, was dedicated at a ribbon-cutting ceremony held in the University District on October 27th. Located in the basement of Riverpoint's Phase 1 Classroom Building, the Datacenter project includes the renovation of an existing communications closet and server space to provide adequate power and cooling capacity to support an initial installation of nine server equipment racks and seven telecommunications racks. The Datacenter will support existing equipment as well as new high-performance computer clusters, data racks and network connectivity to the campus.

The Datacenter was made possible by a \$1 million Innovation Partnership Zone Grant and funding from Washington State University Spokane and is the first University District Innovation Partnership Zone project to be completed.



The University District  
665 N. Riverpoint Blvd.  
Spokane WA, 99202-1665  
USA

For questions about Sirti please contact  
Linda Hemingway, Director of Market  
Development and Communications at  
509-358-2031 or at [lindah@sirti.org](mailto:lindah@sirti.org)