

Business Better (Episode 38): Regional Economic Development in Salt Lake City and Greater Utah, with Special Guest Keith Marmer of the University of Utah

Speakers: Scott Marty and Keith Marmer

Scott Marty:

Hello, and welcome to Business Better, a podcast designed to help businesses navigate the new normal. I'm your host, Scott, Marty. I'm a registered patent attorney and member of the intellectual property department and higher education group at Ballard Spahr, a national law firm with clients across all industries and across the world. I spent the last 18 years working along higher education clients and have watched higher education institutions continue to invent and develop new ways to grow economic development, both on and off the campus. This episode is part of a new podcast series where we will visit with different leaders striving to grow economic development in their areas and regions of interest. We will be discussing new initiatives, new models, the interest and investment in technology parks, incubators and accelerators, as well as other creative economic development platforms being implemented throughout the country. The episode features a discussion on some amazing new programs and initiatives being implemented in connection with the University of Utah as well as the surrounding Salt Lake City area. Again, my name is Scott Marty, and I'll be leading the discussion today.

Scott Marty:

My guest today is Keith Marmer. Keith is the chief innovation and economic engagement officer at the University of Utah. Before his tenure with the University of Utah, Keith was managing director at SG3 ventures, and prior to that was the chief business officer at the Penn Center for Innovation, and prior to that, the list goes on and on. Welcome, Keith.

Keith Marmer:

Thanks, Scott. Great to be with you today.

Scott Marty:

Glad to have you. So with that intro, you've run the gamut of economic development. You've been a CEO, a CTO, a CBO, a venture capitalist, and more. With all that experience, how far have we come since you entered the world of economic development?

Keith Marmer:

I think those titles alone just tell you that we've created more alphabet soup as much as anything, but I think what we're seeing probably can't be encapsulated in a quick thought, but I'll try. What I believe is really driving us as much as anything right now is this realization that what historically was a highly transactional set of processes between stakeholders, those stakeholders being universities, industry, venture capitalists, government agencies, is quickly becoming very relationship-centric. And that is to say this recognition that economic development goes somewhat hand-in-hand with ecosystem development oftentimes get conflated, if you will. And we're seeing is a higher emphasis being placed on cultivation of relationships across an ecosystem in order to catalyze economic development.

Scott Marty:

Interesting. So let's drill down on that just a little bit. So if I understood what you're sharing, is the model of economic development is changing a little bit, and it's changed over time. And with those changes in mind and seeing what people are

now moving towards, what aspects do you see is actually working to create jobs, to push economic development forward at research institutions like the University of Utah or similar institutions?

Keith Marmer:

There's a combination of things that are happening right now, and some of it is physical infrastructure, building out the Research Park, for example, to be a knowledge community where people come to live, work, play, have interactions, or as the head of our Research Park, Jonathan Bates always likes to say, that bumpability effect. What are we doing to create the physical environment? We're also creating other place-making activities, incubators. Our recent launch of Altitude Lab, for example, the largest wet lab incubator in the state of Utah now. We're bringing companies together, but could easily sit in separate labs, but there's a lot of community in that lab environment that is leading to the creation of jobs, not only in each company, but bringing in venture capitalists that are learning about all of these companies, and that sharing that ecosystem development is leading to growth.

Keith Marmer:

We're seeing it in the formation of accelerators on campus. We, over the last 18 months, have launched three accelerators, one in therapeutics, one in orthopedic medical device, one in software. Each model's a little bit different to fit the needs of our ecosystem, but all leading towards the ability to recognize a university's amazing source of innovation. But we can't just say, what's the transaction that's going to move that innovation forward? It's creating these environments where relationships can be fostered among stakeholders... again, entrepreneurs, investors, industry, university, government partners... that allows us to have these long-term engagements that are fostering this innovation over time. I think it's worth noting, especially in a university setting, when you think of innovation, a lot of what's coming out are these deep technologies.

Keith Marmer:

The concept of two people in a garage developing a widget, it still exists. Don't get me wrong. But university deep research leads to technologies that require an extended period of time to get to commercialization. Think about therapeutic because not only is science complicated, but the regulatory environment and the requirements, it takes on average 12 years to bring a drug to market. And so if you use that as an example to summarize all of these moving pieces, I think what you can begin to see is that extended period of time requires not a singular infrastructure or singular movement or singular transaction. It is how all of these pieces have to fit together in quite a complex way over an extended period of time, and we can't just toss the ball over the fence and give it to the next person in the chain. The more effective structures we've learned are the ones where the interaction is more fully integrated over a longer period of time.

Scott Marty:

That's wonderful. So it sounds like there's a Tony Hsieh model here, kind of the random collision. You put smart people together in a room, and sooner or later, something good's going to come out of it. And so I think something that our listeners would be really interested in is a little bit of how the sausage is made. So putting together all these initiatives. How do you put them together? How do you staff those initiatives and teams and how do you keep all those moving parts moving together in the same direction?

Keith Marmer:

I look at it as you've got to start with the people first. You've got to have great people. A lot of how I think about my role with the university is to find great people, give them resources to the best of my ability, and then get out of their way. I think that when you look at all of those infrastructures, the incubators, the accelerators, the venture funds that we've created, all of these pieces require smart people and then creating an environment, as you said, where those collisions can occur. So first and foremost, it's about the people. In Salt Lake City, in Utah, we're fortunate to have a great community of folks. So we do look into our community and find that we've got great people. We're also fortunate, especially over the last year-plus. Because of the pandemic, Utah's been one of the places where folks from other parts of the country have said, "Wow, I want to go live there."

Keith Marmer:

And whether it's because you wanted to be part of our ecosystem or you just love to ski in the greatest snow on Earth, we're happy to have you here. And what we're experiencing is there's a common thread of folks who want to be part of an ecosystem. They want to engage with smart people, as you said. They want to engage with really exciting innovation, and that platform of all the things we've talked about begins to build when more people want to be part of it. But to be more specific to your question, I find that I meet someone and try to get to know them and then meet them where they are, which is to say, you've got people with great experience that you meet all the time. Some of them we're looking to be CEO of the next great thing, some of them just want to be a mentor, and lots of other things in between.

Keith Marmer:

And so I think the key for us at University of Utah has been to create programs where we can, as I said, meet people where they are. So for example, we created an entrepreneur in residence program where we have about eight to 10 entrepreneurs at any given time. They're looking for the next opportunity to start a new venture. That's not for everybody. We have other serial entrepreneurs or investors that want to just be a mentor or sit on a board. And so same sort of background, more ad hoc, more engagement that allows them to do exactly what they may want to do but in a different capacity, a different role.

Keith Marmer:

And then there are executives in residence that are spending a day or two a week in our office and going deep with us, our team at the PIVOT Center or with our faculty on campus or with one of the companies we've spun out or with our venture fund. And so the relationship piece of how we engage with folks, I think the key for our success has been not trying fit everybody into a single model but recognizing the importance that there are a lot of great people and you're going to have to be able to create an environment that allows them to express and engage in a way that makes sense for them.

Scott Marty:

That's interesting. You've mentioned the investment community a few times. A question that I'd be interested in hearing your input in is are you seeing a particular emphasis or direction from the investment community, especially given the pandemic and where we are now, the remote learning? Are you seeing any trends? And I guess one way to think about that is with the different initiatives, the different accelerators and programs you have, have you seen more of an influx to one versus the other, or is it truly just a broad brush?

Keith Marmer:

So it is interesting to think about what the pandemic has influenced from an investment or investor community standpoint. I think there are a few observations and learnings. One is that typically, venture capital is a local sport. And during the pandemic, due to the lack of travel, we've had more investors from around the country take time to get under the hood a little bit more than they may have previously. It's been by Zoom, but it's given us the opportunity to get our story out and the stories of our early-stage companies or companies at any stage that are raising capital, frankly. So that's been one thing that I think will have stickiness post-pandemic when travel is now starting to pick up. Investors are saying, "We still want to be engaged. We want to learn more. We want to spend time in your community. We've learned a lot and we value that."

Keith Marmer:

I think another thing that was going on before the pandemic that maybe is heightening a little bit is combination of things. You're seeing in the life sciences, for example, one of the things that we've seen even pre-pandemic over the last several years is that early-stage venture capitalists are doing bigger deals but fewer of them. And as a result, there's this increasing gap in promising early-stage technologies. And while historically there've been grant programs at a state or a federal level that try to fill that in or angel investors, what I've seen, in fact as recently as yesterday, a venture group I met with, is this subclassification becoming more distinct in early-stage investment where you're seeing specific seed stage investors that want to play in that space that maybe only angel investors would before, where an angel investor and an institutional VC operate very differently.

And those differences are impactful to early-stage growth companies, especially in the life sciences, in terms of team building, making it to your next round of investment with the next stage of venture capital groups, et cetera.

Keith Marmer:

And so what's been really interesting is I've had a lot of meetings, especially here in Utah with these venture funds that are... I won't say new, but definitely more distinct and more on point with some gaps that have been created as a result of not just the pandemic, but I think what we've been seeing trending from the investment community where you've got, as I said, these bigger deals at inception that leave a lot more companies looking for capital. And then it's a whole other dynamic when you factor in what's happened with SPACs over the last year, year and a half and companies that are hitting the public markets that maybe would have still been playing in the private capital space. So it's an area that's been shook up fairly significantly for a few reasons, not solely because of the pandemic.

Scott Marty:

So these trends that you're seeing, they're in Salt Lake and they're at the University of Utah. I know you've got a pretty broad network across the US. Are your colleagues across the US seeing the same type of trend when you speak to them? Do you think that these effects are somewhat regional?

Keith Marmer:

It's hard to say specifically whether they are or they aren't on a broad scale. But when I do chat with folks, I don't think this is isolated to Salt Lake or to Utah. I do think that these things are happening elsewhere if for no other reason than I'm speaking to investors in other parts of the country who are filling this bucket as well. But I do think that when I talked to folks around the country, where you may see the difference in folks who would say it is happening versus those who would say I'm not seeing it, I think intentionality comes into play. If you're playing a role of catalyst, which is how I like to think of PIVOT Center and what we do, is that we are proactive. We are out in our ecosystem catalyzing these various activities and stakeholders.

Keith Marmer:

When I talk to friends who think of their activity, similarly, I think they would tell you that they're seeing similar trends. When I talk to folks who for one reason or another may not be in quite that proactive role, maybe their institution can't fund it, doesn't support it, what have you, I think you'll maybe hear, "Well, no. This is still a bit more of a challenge. We're not really seeing it." And it's perhaps not necessarily because it's not there, but perhaps necessarily because the progression in their community or their institution isn't being supported as much as they would like.

Scott Marty:

That's interesting. So going back to another comment you made just a few moments ago, which was this increased exposure due to the pandemic based on virtual platforms, based on the fact that maybe it's just as simple as people have more time on their hands because they're not out physically shaking hands. So along that virtual handshaking line, what tools and processes do you think that you and your team are going to continue to implement post-pandemic to keep this activity alive, to take advantage of what you've seen over the last 12 to 14 months?

Keith Marmer:

I definitely see us using this hybrid model where we're going to not only work in an office and invite people into our office, but work online and invite people into our online offices, if you will. I don't think I will stop seeing the inside of airports anytime soon as travel starts to ramp up. But I do think that we will leverage these new tools as much as possible. I think events like this, platforms like yours with doing a podcast where maybe a couple of years ago, I would have had to see you in Salt Lake or come to Atlanta to do this sort of thing, now, it just seems really natural for us to connect online and do this sort

of broadcast. I think it's a great example of tools that we'll continue to use. And I think that from a communications standpoint, it'll be a broader bag of tricks, if you will.

Keith Marmer:

Our, our senior director of communications, Theresa Gubler, is working fast and furious every day to build out so many new platforms on top of the ones that we already have that I think she will be at a never-ending pace to keep me running into all these new ways that we're going to get out there and communicate. So these are just the ones that we see today. I actually think, and I'm excited to see in a couple of years, that hopefully there'll be new platforms and we're not just going to revert to old ways. I'm hopeful that we'll have more connectivity through more channels as time goes on.

Scott Marty:

That's great. Well, speaking of in-person with some of our listeners here, and I hope that as people hear what's going on out at the University of Utah and out in Salt Lake City area, if people were coming into the city and coming on to campus, what would you encourage them to do and to look for, or how to organize meetings, to get involved in some of these incubators and accelerators and programs that you have put together?

Keith Marmer:

Well, first and foremost, it's contact PIVOT Center, our office. One of the things that we'd love to do is make connections. And that connection can be whether you're looking to, as you said, engage with our incubators or accelerators and meet resident companies and our incubators. We have nine new companies in our Altitude Lab incubator, for example. You want to meet with sort of the best and the brightest companies, call us. We'll get you connected. You want to see earlier stage technologies where we haven't even formed companies in our accelerators, we'll get you connected to the right people. If you're recruiting. There's a lot of stories in the news this week about how hard it is to find people to staff jobs of all kinds. So if you're recruiting, you're looking for talent, call us. If you're looking to invest into our portfolio of companies.

Keith Marmer:

So you can see the common theme here. It's pivotcenter@utah.edu, and we'll get you connected. Again, it goes back to our role as catalyst. But I also think that the invitation to come and visit campus is always open. But if you're not ready to come to campus, we'll set a virtual meeting up. We will not let someone's geography be a limitation. And so that's one of the other takeaways from campus. But I'd love to have folks out to campus. I know Scott, you've spend time on our campus and our community. You know what it's like to visit the mountains and do some skiing out here, do some hiking out here. So we're fortunate to have a great physical space for folks to come visit, and love to host anyone out here to see that, or just our city. And we've got some great partners here, great companies that a lot of folks may want to get connected with.

Keith Marmer:

It's not just about our startups. It's companies like Recursion Pharmaceuticals that announced they went public a few weeks ago. They're a spin-out of ours going back a number of weeks. So there's a lot going on in Utah not just in life sciences, but in technology. With our Silicon Slopes, just a few miles south of the university, you've got arguably one of the most engaging, dynamic, thriving tech sectors in the country, if not the world. So lots of reasons to come out to Utah.

Scott Marty:

So Keith, you've mentioned the Altitude Lab and you've mentioned Recursion. And one thing we really haven't talked about is the interrelatedness of the Altitude Lab and Recursion being this public-private partnership, this relationship between Recursion and the University of Utah and how that relationship ultimately generated the Altitude Lab and where that's going. Maybe you could share a little bit with our listeners on how that came about and how it's being implemented and where you see it going.

Keith Marmer:

The relationship that led to Altitude Labs is one of those classic back-of-the napkin during a lunch meeting stories. As I mentioned, Recursion is a spin-out of the university. They went public not too long ago, but a couple years back when they were still private and in early growth mode, I was working to get an incubator opened up in our Research Park. We were going to fund it internally. And as you may have heard rumors, the universities can sometimes move a little slow, be a little bureaucratic. I was working our way through that process when Chris Gibson, the CEO of Recursion and I were having lunch and he asked how it was going. And I rolled my eyes and said, "It's going a little slower than I'd like." And he said, "We still have space in Research Park and we're really wanting to support the community. We'd really love to be part of helping get an incubator launched in Salt Lake City and maybe that's something that we can work together on."

Keith Marmer:

And as I said, by the end of launch, we had sketched out the deal on the back of a napkin, so to speak. And we created this public-private partnership, as you said, where both the University of Utah and Recursion invested resources to open up this really state-of-the-art wet lab incubator. And I think it speaks first to the broad yet integrated range of economic development that PIVOT Center drives through technology commercialization through corporate engagement and direct economic development in terms of that company formation and support. But I think it also really goes to the new models, the new tools in the toolbox of economic development and recognizing that public-private partnership, the need or the benefit of leaning on those P3 relationships and the impact they can have. Because very quickly, we were able to take that lunch meeting and open the doors on a lab that is going to be able to host 25 companies in various stages of early growth, attracting capital, and the impact that can have in our city, in our community. That wouldn't have happened without that partnership.

Keith Marmer:

And so there's a lot of value that was created with us being a little creative in our thinking in how to create that Altitude Lab environment.

Scott Marty:

And how do you see that Altitude Lab growing and moving forward? What are your goals and where do you see it in, let's just say, five years?

Keith Marmer:

So the Altitude Lab, as I said, right now it's in our Research Park, which is about 4 million square feet of rentable space right now. And I think as you and I are chatting today, there are less than 4,000 rentable square feet available. So what we have really been focusing on is where do these companies go next? We don't want them leaving the city. We don't want them leaving the state.

Keith Marmer:

So what are we going to do to help support these companies? And it was just having this conversation with the mayor of Salt Lake City two days ago in Altitude Lab. We had the pleasure of hosting and touring her through. And we're now having conversations with the city of Salt Lake and how we're potentially able to partner with the city not just in what we can do to elevate our Research Park, but a downtown innovation district and how they connect, how the continued growth can be smart growth for the city and how her vision for that economic development specifically in the life sciences allows that to happen, where we can partner as a university both with the city and private enterprise to take a smart growth approach, strategic approach to building out not only more incubators, but incubators that support different types of companies in different industries. But also recognize, as we talked about earlier, that companies go through so many stages.

Keith Marmer:

It's not this single transaction and these companies are now stable, thriving concerns. We have to be able to provide support through so many stages of growth. And so that's where I think we're going next is being able to map out those stages and then create the physical infrastructure and supportive ecosystem to help these companies through each stage of their growth.

Scott Marty:

So along those lines... and I didn't prepare you for this, so I'll shock you here live. If people are coming in, where should they eat?

Keith Marmer:

Where should they eat? Some of my favorites, depends on what you're up for. If you watch Diners, Drive-Ins and Dives, Red Iguana is one that comes up, but there are some other really great Mexican places throughout our region. One I think you and I have hung out is Taqueria27. There's a few of them, one just down the street from my office. So I give them a shout-out. If you're coming up to the Park City area, get out to High West Distillery, maybe less so for the food, although I enjoy a good burger there. But their distilling is fabulous. And we've got fantastic distilleries throughout Utah. One that if you're into beer, but coming only for the food, of course, check out Hopkins Brewery. They're in Sugar House. Love their food menu. They like to keep it fresh and change it up, but I love their beers. So I would give them the double shout-out there.

Keith Marmer:

Really, there are so many great restaurants. And if you really want to get out there, my wife and I went off-grid a few weeks ago down to Southern Utah, where it was just fantastic hiking. There's a little restaurant down close to Arizona called Segó in a tiny little town that probably nobody's ever heard of. So if your listeners are coming to Utah, need restaurant tips, I'm a wannabe foodie. I'm happy to help.

Scott Marty:

That's awesome. Well, for all of you listening, I encourage you to eat, drink, be merry, and visit Salt Lake City. Please go and visit and contact Keith if you want to learn a little bit more about what he's got going on at the University of Utah and all the initiatives at the Huntsman Cancer Institute, the PIVOT Center, the Altitude Lab, and it goes on and on and on. So with that, Keith, I want to thank you for your time. Thank you for your candor. Thank you for the food and drink recommendations. It's always a pleasure catching up. For those of you listening, please make sure to visit our website www.ballardspahr.com where you can find the latest news and guidance from our attorneys. Subscribe to the show in Apple Podcasts, Google Play, Spotify, or your favorite podcast platform. If you have any questions or suggestions for the show, please email podcast@ballardspahr.com. Stay tuned for a new episode coming soon and thank you for listening.