



News Release

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Contact: [Miguel Ayala](#) (202) 205-6420

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SBA Funds Three New Regional Innovation Clusters

Expands regional economic development and job creation

WASHINGTON – The U.S. Small Business Administration (SBA) announced today the addition of three new clusters to the portfolio of communities it supports through the [Regional Innovation Clusters](#) initiative, raising the total number of clusters in the program to fourteen.

“Clusters are public-private partnerships that are driving innovation and job creation in our most promising regional hubs,” Deputy Administrator of the SBA, Douglas Kramer explained. “SBA has built a strategic infrastructure of financing and consulting resources in key regions to help new companies launch and small companies grow, particularly in underserved communities across the country. We’re unleashing the full potential of entrepreneurs who are developing cutting-edge products and processes that will help ensure American global competitiveness, creating supportive environments for small businesses in regions with the most need.”

The three new Regional Innovation Cluster awardees were selected from more than 40 applicants and represent a wide range of diverse geographic areas and industries. This year’s awardees are particularly attuned to the needs of underserved and underrepresented Americans: two are aligned with [Promise Zones](#), and one is a participant in the inter-agency [Partnerships for Opportunity and Workforce and Economic Revitalization](#) (POWER) initiative, designed to assist communities impacted by changes in the coal economy.

Kramer today visited one of this year’s awardees, the Appalachian Ohio Wood Products Cluster, to formally announce the three cluster initiatives receiving support. He made the announcement at Ohio University in Athens, a key institutional partner of the Wood Products cluster.

The three new awardees join a portfolio of eleven SBA-supported clusters—geographically-concentrated groups of interconnected businesses, suppliers, service providers, and related institutions in a particular industry or field—that span across the nation from San Diego to the Northeast corridor, serving sectors that include water technologies, fuel cells, smart-grid technology, and flexible electronics manufacturing among others.

Clusters supported through the program are awarded \$500,000 for the base year of the contract, with four option years to be exercised at the SBA's discretion, for up to a total of \$2.5 million per cluster initiative over five years. The SBA's funding is provided to each cluster's organizing entity to strengthen opportunities for small businesses within the cluster. The funds are used to provide mentoring and counseling services, mentor-protégé and teaming programming, and to showcase and pitch events to prospective investors and public-private sector adopters of new technology.

The three new Regional Innovation Clusters are:

Unmanned Aerial Systems (UAS) Cluster, South Kansas and Oklahoma. Contractor: *Development Capital Networks*

Situated in a region with a long history of aviation leadership and a rapidly growing number of UAS companies, the Unmanned Aerial Systems Cluster of South Kansas and Oklahoma has the potential for substantial amplification with SBA support. A number of best-in-class local assets are in place to support this cluster, including high-level research institutions (e.g. the National Institute for Aviation Research in Wichita), well-established and relevant academic and training programs (e.g. the FAA Academy in Oklahoma City, aeronautics programs at Wichita State University and Oklahoma State University), and useful technical and facilities (including the Chilocco airspace, Camp Gruber Joint Maneuver Training Center, Clinton-Sherman Airport, Tinker Air Force Base).

This cluster initiative is also aligned with the aerospace-focused South Kansas Investing in Manufacturing Communities Partnership (IMCP) community, an Administration-wide designation which recognizes that community's commitment to and potential for contributing to a national resurgence in manufacturing. This cluster initiative has also committed to insuring the inclusion of underrepresented and underserved populations in the growing entrepreneurial ecosystem by affiliating with the Choctaw Nation Promise Zone and through outreach to tribal colleges.

Wood Products Cluster, Appalachian Ohio Region. Contractor: *Appalachian Partnership, Inc.*

This cluster initiative will focus on the woods products industry and serve Appalachian Ohio: a largely rural, 16,000-square mile region spanning 32 counties. Although the region's economy has been strained by recent changes in the coal economy (including the closures of local power plants, mines and generators), the wood products sector that this cluster initiative serves presents a spectacular opportunity: the regional wood products industry has a nearly identical geographic footprint as the coal sector, requires comparable workforce skills and is one of the state's top five manufacturing sectors for projected employment growth through 2020. While the area's wood products industry has

particular strength in furniture manufacturing, this cluster's industry focus includes a number of sub-sectors, including veneer and plywood manufacturing, flooring and engineered wood manufacturing.

This cluster initiative is affiliated with the Administration-wide POWER initiative for coal communities.

BioSTL Bioscience Cluster, St. Louis, Missouri. Contractor: *BioSTL*

BioSTL leads the medical and plant biosciences cluster in Saint Louis. With support from the SBA, this cluster can build on, enhance and link the region's extensive local assets, among which are already-substantial research leaders (Washington University, Saint Louis University, Danforth Plant Science Center, and major private sector players like Monsanto and Nestle-Purina) and entrepreneurial institutions focused on new business creation and smaller firms (BioGenerator, the Cortex Innovation District, STL Makes, Venture St. Louis). Aligned with the Saint Louis Promise Zone, this cluster initiative has an ambitious agenda for ensuring inclusive development of the region's bioscience cluster.

Since 2010, the SBA has invested in regional clusters throughout the country. The goal of the SBA's involvement in clusters is to increase small business participation and economic activity. While the industry focus of the clusters varies, their core activities are similar: to act as networking hubs to convene resources to help small businesses navigate funding, procurement, and supply-chain opportunities. Through technical and legal assistance, these cluster networks also work to help innovators commercialize promising technologies needed by government and industry buyers. The other eleven existing clusters which SBA supports under the Regional Innovation Clusters Program include the following:

- **San Diego Defense Cluster**, San Diego, California: focused on autonomous systems, cyber-security, and other defense technologies
- **Advanced Power and Energy Cluster**, St. Paul, Minnesota: Developing power and energy generation, storage, distribution, conservation, and other defense technologies
- **The Smart Grid Cluster**, Chicago, Illinois: Creating smart electrical grid equipment and technologies
- **Enterprise for Innovative Geospatial Solutions Cluster**, Bay St. Louis, Mississippi: building geospatial technologies
- **TechRICH**, Huntsville, Alabama: developing aerospace, robotics, cybersecurity, and other defense technologies
- **FlexMatters Cluster**, Cleveland, Ohio: developing flexible electronic technologies
- **Northeast Electrochemical Energy Storage Cluster**, East Hartford, Connecticut: building hydrogen and fuel-cell technologies and supply chain
- **Autonomous and Unmanned Systems Cluster**, Alamogordo, New Mexico: building autonomous and unmanned systems

- **The Ozarks Cluster**, Fayetteville, Arkansas: focused on food processing, supply chain, and logistics
- **The Water Council Cluster**, Milwaukee, Wisconsin: developing water technology
- **Marine Industry Science and Technology Cluster**, Stennis Space Center, Mississippi: Developing science and technology applications in marine industries

For more information on the SBA's Regional Innovations Clusters, visit www.sba.gov/clusters

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