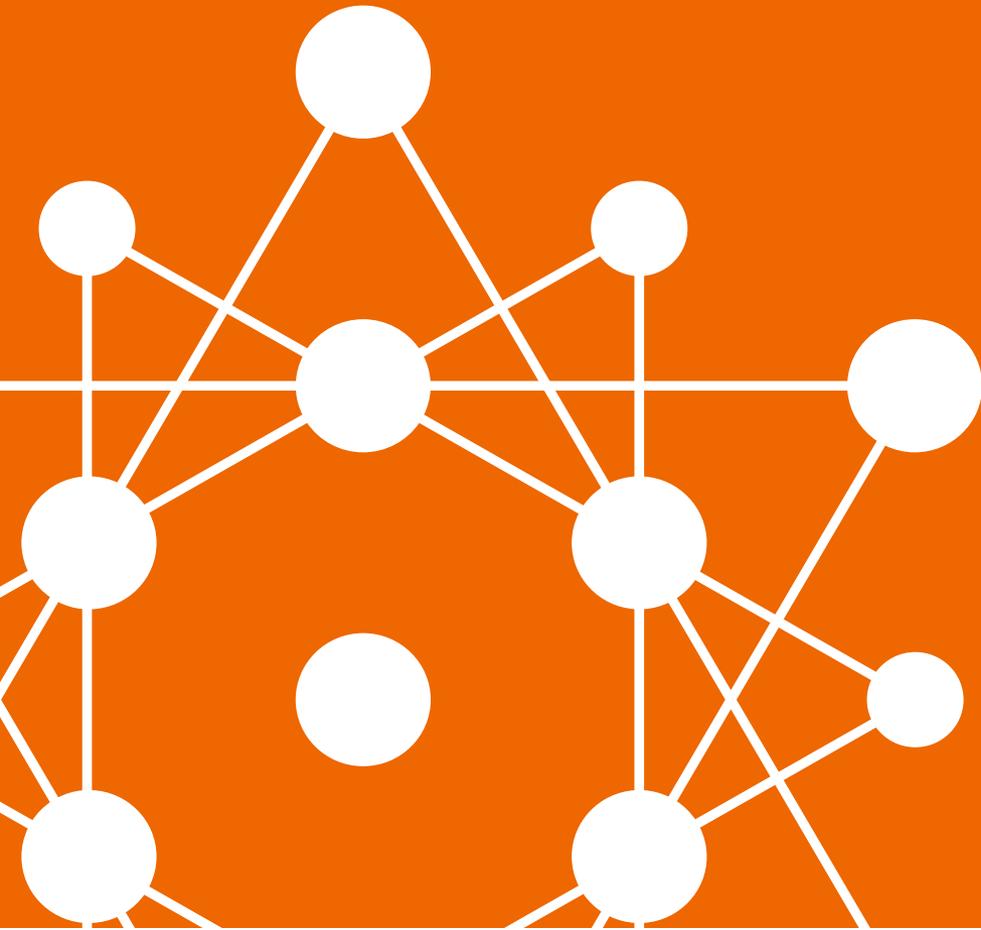


USTAR GOVERNING
AUTHORITY MEETING
JUNE 7, 2016



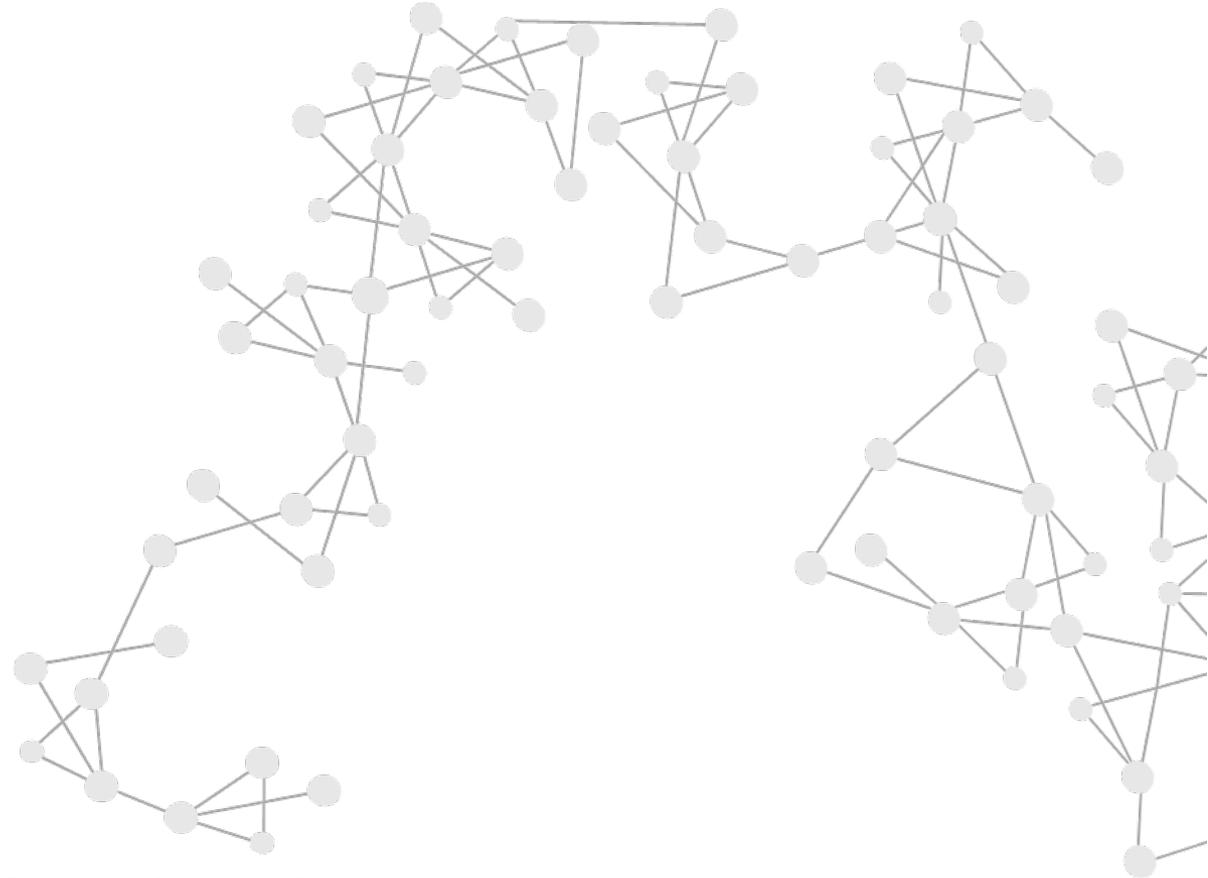
APPROVAL OF THE MEETING MINUTES

May 5th Meeting minutes

May 5th Retreat Meeting Minutes



FY17 PROGRAM APPROVALS



USTAR

SUMMARY OF NEW GRANT REQUIREMENTS

Authority and Responsibility

63M-2-503 authorizes the GA to establish grant programs subject to the following requirements:

- The GA must establish:
 - The purpose of the grant.
 - Eligibility criteria to receive a grant, which must include
 - potential for commercialization
 - market gap addressed
 - A process for ensuring grants are offered on a competitive basis.
 - Evaluation criteria for reviewing grants, which must ensure
 - that funded projects address market gaps in technology development in the state; or
 - that funded projects facilitate R&D of promising technologies.
 - That the grant does not duplicate other state programs.



PROCESS

Initial Program Review

- To ensure statutory compliance, the GA will perform an initial review of each new grant program and vote on approving the programs and budgets. (this meeting)

Further Action

- USTAR staff will develop Administrative Rules for each program that will be brought for final approval by the GA prior to submission to rules committee.
- USTAR staff will create official rules and application forms



UTAH INNOVATION SYSTEM GAP ANALYSIS

CATEGORY	COMMON CHALLENGE	UTAH
Research capacity	University R&D	++
	Business R&D	+
Industry-university linkages	Information gaps & networks	-
Entrepreneurial culture	Risk aversion	++
Managerial talent	Serial entrepreneurs	-
	Sector specific knowledge	
Risk capital	Pre-seed/seed	-
	Venture capital firms	+/-

University R&D/GDP 2012

1st quartile

Source: NSF

Total VC Investment Dollars 2014

9th (\$783.2M)

Source: NVCA

Business R&D/industry output 2012

2nd quartile

Source: NSF



U S T A R

GA GRANT PROGRAM REVIEW OUTLINE

For each program the USTAR Executive Director will present the following to the GA for consideration:

- Description: Brief summary who receives the grant and for what.
- Economic Development Objective: How this program is intended to benefit Utah's economy.
- Innovation System Gap Addressed: Which Utah Innovation System gap (see previous slide) the grant program targets.
- Eligibility: Who can apply for each grant program.
- Key Performance Metrics: Significant metrics used to measure program impact.
- Competitive Application Process: The process used to ensure the best proposals receive grant funding
- Evaluation Criteria: Specific program considerations used to review each application
- Votes: Definitive statement clarifying which item is being voted on.



NEW PROGRAM 1: TECHNOLOGY ACCELERATION PROGRAM (TAP)

Description: TAP provides grants to accelerate the growth of early-stage Utah technology companies. A portion of the total award is provided up front and the remainder of the funding is released to the company upon achieving agreed upon milestones.

Economic Development Objective: TAP is targeted at increasing the rate at which promising early-stage businesses can scale and eventually deliver economic benefits to Utah in the form of new jobs, investment capital and revenue.

Innovation System Gaps Addressed: Availability of risk capital. Assistance for tech start-ups bridging the “valley of death.”

Eligibility

- Early-stage Utah companies (registered and licensed in Utah with intent to remain).
- Technology must align with a state industry sector specified by USTAR.
- Technology must already be developed to a technology readiness level of 3-5.
- Clear technical milestones for accelerating development of the company/technology. (Examples include: R&D, proof of concept, product validation, and product development.)

Key Performance Metrics	Importance
Follow-on funding (source, amount, value)	Indicator of commercial viability
New products/processes introduced	Indicator of commercial viability
Sales or revenue generated	Indicator of commercial success. Tax impacts (long term)
New jobs created (amount, type, ave wage)	Increase to tax base



NEW PROGRAM 1: TECHNOLOGY ACCELERATION PROGRAM (TAP)

Competitive Application Process

- **Initial Eligibility review:** staff will screen applications for eligibility and TRL assessment.
- **Peer review:** For each industry sector, an independent panel consisting of at least two technical experts and one business expert will review proposals.
- **Subcommittee review:** Panel recommendations will be reviewed by the GA subcommittee on budget.
- **Final GA Approval:** Subcommittee recommendations will be presented to the GA for final approval.

- **Evaluation Criteria:**
 - Proposals will be reviewed according to the following criteria:
 - Technical merit.
 - Potential economic Impact on the state.
 - Market need, Technical and management experience and qualifications.
 - Realism of cost proposal.
 - Proposed timelines.

- **Anticipate 2 rounds / requests for proposals each FY.**
- **Anticipated duration of projects:** 12 to 18 months.



NEW PROGRAM 1: TECHNOLOGY ACCELERATION PROGRAM (TAP)

RECOMMENDED MOTIONS FOR VOTE

1. To establish the Technology Acceleration Program as a grant program to be implemented according the criteria described herein and to authorize staff to develop further rules for administering the program.



NEW PROGRAM 2: INDUSTRY PARTNERSHIP PROGRAM (IPP)

Description: IPP provides matching grants for university research projects designed to address an industry partner's technology gap.

Economic Development Objective: Build the market advantage or add new products in Utah's existing companies.

Innovation System Gap Addressed: Strengthen and establish industry-university linkages.

Eligibility

- Company has a substantial presence in Utah.
- Open to companies with a specific technical project which submits a proposal in collaboration with a researcher with the appropriate technical expertise.
- Companies must provide matching funds to the institution for the research project.
- Companies are also required to make an "in-kind" contribution consisting of the company's budget for its work on the project.

Key Performance Metrics	Importance
Follow-on funding (source, amount, value)	Indicator of commercial viability
New products/processes introduced	Indicator of commercial viability
Sales or revenue generated	Indicator of commercial success (Long term tax impacts)
New jobs created (amount, type, ave wage)	Increase to tax base



NEW PROGRAM 2: INDUSTRY PARTNERSHIP PROGRAM (IPP)

Competitive Application Process

- **Initial Eligibility review:** staff will screen applications for eligibility and TRL assessment.
- **Peer review:** For each industry sector, an independent panel consisting of at least two technical experts and one business expert will review proposals.
- **Subcommittee review:** Panel recommendations will be reviewed by the GA subcommittee on budget.
- **Final GA Approval:** Subcommittee recommendations will be presented to the GA for final approval.

Evaluation Criteria

- Proposals will be reviewed according to the following criteria
- Technical risks, merit, and feasibility of the proposal.
- Feasibility of obtaining the proposed milestones in the anticipated timeline.
- Cost of the project.
- Potential economic impact on the state including potential to create jobs.
- Potential economic benefit for the company.
- Realism of cost proposal.

Open/Rolling request for proposals.

Anticipated duration of projects: 12 to 18 months.



NEW PROGRAM 2: INDUSTRY PARTNERSHIP PROGRAM (IPP)

RECOMMENDED MOTIONS FOR VOTE

1. To establish the Industry Partnership Program as a grant program to be implemented according the criteria described herein and to authorize staff to develop further rules for administering the program.



NEW PROGRAM 3: UNIVERSITY TECHNOLOGY ACCELERATION GRANT (UTAG)

Description: UTAG provides grants to advance the commercialization of technologies developed by researchers at Utah higher education institutions.

Economic Development Objective: This program has the potential to directly impact and enhance the commercial viability of the technology, improving the researcher's ability to develop a start-up company or license the technology.

Innovation System Gap Addressed: Research capacity.

Eligibility Criteria

- Researchers at Utah not-for-profit higher education institutions.
- Technology must be commercially-oriented.
- Technology must be in the industry sector specified by USTAR.
- Technology must be developed to the appropriate Technology Readiness Level (TRL) of 2-5.

Key Performance Metrics	Importance
Follow-on funding (source, amount, value)	Indicator of technology's commercial viability.
New patents, other IP, or products developed	Lead indicator for future licensing, new companies, sales
New company formed or product introduced	Indicator of commercial viability.
Licensing or sale of technology	Tax impact
Sales or revenue generated	Indicator of commercial success. Tax impacts (long term metric)
New jobs created (amount, type, ave wage)	Increase to tax base. (long-term metric)



NEW PROGRAM 3: UNIVERSITY TECHNOLOGY ACCELERATION GRANT (UTAG)

Competitive Application Process

- **Initial Eligibility review:** staff will screen applications for eligibility and TRL assessment.
- **Peer review:** For each industry sector, an independent panel consisting of at least two technical experts and one business expert will review proposals.
- **Subcommittee review:** Panel recommendations will be reviewed by the GA subcommittee on budget.
- **Final GA Approval:** Subcommittee recommendations will be presented to the GA for final approval.

Evaluation Criteria

- An independent panel of technical experts and state government staff will review UTAG proposals. Proposals will be judged on:
 - Technical merit.
 - Market demand for the technology, potential market share of technology and go-to-market plan.
 - Potential economic impact on the state including potential to create jobs.
 - Timeline for economic impact.
 - Applicant's capabilities, experience, techniques and business structure.
 - Realism of the proposed budget and availability of funds.

Anticipate 2 requests for proposals each FY.

Anticipated duration of projects: 12 to 18 months.



NEW PROGRAM 3: UNIVERSITY TECHNOLOGY ACCELERATION GRANT (UTAG)

RECOMMENDED MOTIONS FOR VOTE

1. To establish the University Technology Acceleration Grant as a grant program to be implemented according the criteria described herein and to authorize staff to develop further rules for administering the program.



NEW PROGRAM 4: UNIVERSITY SEED RESEARCH FUNDING (USRF)

Description: The University Seed Research Funding program provides small matching grants (\$25-75k) to assist university researchers to develop data and other precursor activities required to pursue larger, more commercially-oriented grants or other funding.

Economic Development Objectives: Incentivize new interdisciplinary and industry-university connections and strengthen the R&D capacity at state institutions in areas aligned to the state's priority industry sectors.

Innovation System Gap Addressed: Industry-university linkages, Research capacity building.

Eligibility Criteria

- Researchers at Utah not-for-profit higher education institutions.
- Proposals must identify the agency grant, company or initiative that they intend to use this initial data to apply for additional funding from.
- Proposals must include a plan for interdisciplinary or industry-university collaboration.
- Must have matching funds.
- Technology must be in the industry sector specified by USTAR.
- Technology must be developed to the appropriate technology readiness level (TRL 0-3).

Key Performance Metrics	Importance
External grants awarded (source, amount, value)	Indicator of technology's commercial viability
Other funding rec'd (source amount, value)	Indicator of technology's commercial viability
Research jobs supported (amount, ave wage)	Tax impact, job creation impact
New patents, other IP, or products developed	Lead indicator for technology's commercial potential
Licensing or sale of technology	Tax impact
New company formed or product introduced	Lead indicator for job creation and revenue, tax impact



NEW PROGRAM 4: UNIVERSITY SEED RESEARCH FUNDING (USRF)

Competitive Application Process

- **University input:** Universities may choose to do an initial internal review of proposals and submit them as an institution.
- **Eligibility review:** staff will screen applications for eligibility, TRL assessment, matching fund requirements and potential for economic impact on the state of Utah.
- **Peer review:** For each proposal at least 2 technical reviewers will provide an assessment of the technology.
- **Subcommittee review:** Panel recommendations will be reviewed by the GA subcommittee on budget.
- **Final GA Approval:** Subcommittee recommendations will be presented to the GA for final approval.

Evaluation Criteria (Proposals will be reviewed according to the following criteria):

- Technical merits of proposals: this includes if the technology is of an appropriate technology readiness level, the technical/experimental approach and the potential for innovative findings.
- Milestones are reasonably obtainable with the proposed technical approach in the timelines anticipated.
 - The potential economic development impact for the state of Utah of funding the proposal.
 - Availability of matching funds.
 - Applicant's/team's capabilities, experience and management structure of the proposed research.
 - Extent to which proposal encourages multidisciplinary or cross-institutional collaboration.

Open/rolling enrollment

Anticipated duration of projects: 12 months.



NEW PROGRAM 4: UNIVERSITY SEED RESEARCH FUNDING (USRF)

RECOMMENDED MOTIONS FOR VOTE

1. To establish the University Seed Research Funding Grant as a grant program to be implemented according the criteria described herein and to authorize staff to develop further rules for administering the program.



IMPLEMENTATION OF NEW PROGRAMS

RECOMMENDED MOTIONS FOR VOTE

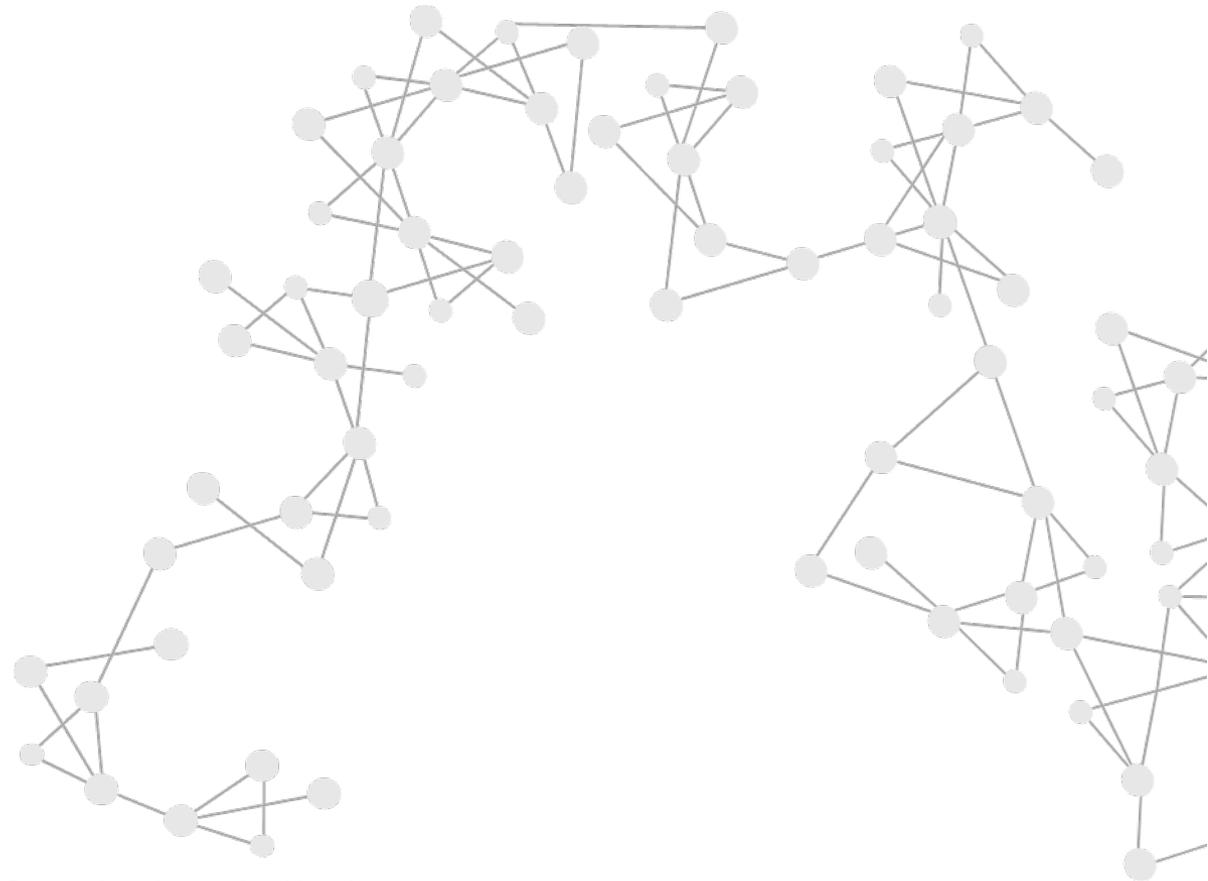
1. USTAR Governing Authority directs the Executive Director of USTAR and staff to conduct the planning and execution tasks to administer the programs described and approved in this meeting.



VISION AND MISSION STATEMENTS



U S T A R



CURRENT

Vision: Utah will lead the nation as the best performing economy, and be recognized as a premier global destination.

Mission: Create a technology ecosystem that enables ideas to seed, grow, and thrive. USTAR accomplishes this by:

1. Recruit and retain top researchers to the State's research universities
2. Support tech entrepreneurs through training, funding, incubator and accelerator programs
3. Broker technology transfer by connecting capital, management and industry



OPTION 1 FOR CONSIDERATION

Vision: Build a robust innovation ecosystem in the State of Utah.

Mission: Create a technology ecosystem that enables ideas to seed, grow, and thrive by:

1. Support tech entrepreneurs through training, funding, incubator and accelerator programs
2. Broker technology transfer by connecting capital, management and industry
3. Address market gaps in Utah's technology ecosystem
4. Sustain USTAR's early research capacity building activities.



OPTION 2 FOR CONSIDERATION

Vision: Create a technology ecosystem that enables ideas to seed, grow and thrive.

Mission: USTAR's mission is to accelerate the commercialization of science and technology ideas generated from the private sector, entrepreneurial and university researchers in order to positively elevate tax revenue, employment and corporate retention in the State of Utah.

Key USTAR Tasks:

1. Support tech entrepreneurs through training, funding, incubator and accelerator programs
2. Broker technology transfer by connecting capital, management and industry
3. Address market gaps in Utah's technology ecosystem
4. Sustain USTAR's early research capacity building activities.





THANK YOU FOR LISTENING.

Find Us Throughout the State.



USTAR