

BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY

Board Meeting Minutes

July 23, 2015

A meeting of the Ben Franklin Technology Development Authority Board (BFTDA) was held at Innovation Works' AlphaLab, Pittsburgh, PA at 10:00 a.m. on July 23, 2015.

Board members and designees in attendance:

- Tom Balderston (phone)
- Representative Bryan Barbin
- Sheri R. Collins, Deputy Secretary, DCED
- Steve Grabicki for Senator Andrew E. Dinniman (phone)
- Dr. S. Thomas Emerson, Carnegie Mellon University
- President John A. Fry, Drexel University (phone)
- Senator John R. Gordner
- Representative Doyle Heffley
- Brian Kennedy
- Ellen Kight
- Robert J. Kumpf (phone)
- Jennifer Leinbach, BFTDA Executive Director, DCED
- Dr. Michele M. Masucci, Temple University (phone)
- Charles J. Peters
- Robert Schena
- Peter Tonia (phone)

DCED staff and guests in attendance:

- Steve Brawley, Ben Franklin Technology Partners Central and Northern PA
- Chuck Brandt, Innovation Works
- Jill Busch, DCED Office of General Counsel (phone)
- Ryan Glenn, Director of Statewide Initiatives, Ben Franklin Technology Partners
- Jay Katarincic, Draper Triangle
- Joe Lane, Ben Franklin Technology Partners Northeastern PA
- Rich Lunak, Innovation Works
- Kathy Matason, Ben Franklin Technology Partners Central and Northern PA
- Adare McMillian, Ben Franklin Technology Partners Southeastern PA
- Chad Paul, Ben Franklin Technology Partners Northeastern PA
- RoseAnn Rosenthal, Ben Franklin Technology Partners Southeastern PA
- Bob Starzynski, Innovation Works
- Diane Sterthous, DCED TIO

- Mike Stubler, Draper Triangle
- Neil Weaver, Executive Deputy Secretary, DCED

I. Welcome & Opening Remarks

On behalf of DCED Secretary Dennis Davin, DCED Deputy Secretary Sheri Collins served as Chair and called the meeting to order at 10:06 A.M.

BFTDA Executive Director Jennifer Leinbach conducted a roll call of board members.

II. Approval of the April 14, 2015 Meeting Minutes

Tom Emerson made a motion to approve the minutes as written. Ellen Kight seconded the motion. Motion carried.

III. Approval of Program Guidelines

Deputy Secretary Collins stated that staff has worked diligently the last several months on the development of various program guidelines including the guidelines for the four regional Ben Franklin Technology Partners' Challenge Grant, as well as the guidelines for Innovate in PA. The Innovation in PA program falls under the direction of this authority and therefore requires that the authority approve any and all program guidelines including those for the three Life Sciences Greenhouses (LSG).

Collins reported that staff used the existing Challenge Grant guidelines and those presently used by the Life Sciences Greenhouses to develop the guidelines for the Innovate in PA program. The Challenge Grant guidelines, based on discussions with Ryan Glenn, were modified to remove some onerous reporting requirements implemented by the Department several years ago, while the LSG guidelines essentially mirror what exists presently. All program guidelines must be submitted to the commonwealth's Comptroller's Office for review and approval.

The approvals today are to grant the authority to staff to implement all program guidelines, including the Challenge Grant guidelines and the Innovate in PA guidelines for both the Ben Franklin Technology Partners and the LSGs. By granting staff the ability to implement guidelines in this manner, staff is able to move swiftly with the deployment of capital once the FY 15-16 budget is approved and to begin deploying Innovate in PA funds upon approval of those program guidelines presently under review at the Comptroller's Office.

Tom Emerson made a motion to grant authority to staff to move forward with the implementation and deployment of the guidelines once approved by the Comptroller's office. Representative Barbin seconded the motion. Motion carried.

Chair noted that any approval today for Challenge Grants is contingent upon the passing the 2014-2015 State Budget at \$14.5MM, as requested in the Governor's Budget.

IV. Presentation of the Ben Franklin Technology Partners

Ryan Glenn, Director of Statewide Initiatives presented an overview of the accomplishments and impacts in 2014 followed by a panel discussion with the CEOs of the four regional partners.

Tom Emerson made a motion to approve and deploy \$3.5 million of the Fiscal Year 15-16 Budget contingent upon passing of the Governor's Budget to each one of the four Ben Franklin Technology Partners. Representative Barbin seconded the motion. Motion carried.

Tom Emerson made a motion to deploy immediately upon the completion of the Innovate in PA program guidelines as discussed earlier; the first tranche as well as the second payment due January 20, 2016 to the Ben Franklin Partners and the Life Sciences Greenhouses. Bob Schena seconded the motion. Motion carried.

V. Innovate in PA – Venture Investment Program: Draper Triangle III

Diane Sterthous, Venture Capital Advisor, who worked with the Venture Investment subcommittee comprised of Fred Beste and Tom Balderston, presented an overview of the report included in the board materials for the consideration of a \$1 million investment of Innovate in PA funds in Draper Triangle III.

Deputy Secretary Collins noted that the total amount of funds available to the Venture Investment Program as a result of the sale of \$100MM of Insurance Premium Tax Credits is approximately \$38.4MM. Staff will continue to present new opportunities to the BFTDA over the coming months, years.

Chuck Peters made a motion to invest \$1 million as recommended by the subcommittee to Draper Triangle. Representative Barbin seconded the motion. Motion carried.

VI. New Business – no new business

VII. Old Business – no old business

Tom Emerson made a motion to adjourn, which was seconded by Bob Schena. Motion carried. Meeting adjourned 11:54 A.M.

Respectfully submitted,

Jennifer T. Leinbach
Executive Director, BFTDA