

**MINUTES OF THE REGULAR MEETING
OF THE ENTREPRENEURSHIP COMMITTEE
OF THE BOARD OF THE INDIANA
ECONOMIC DEVELOPMENT CORPORATION**

January 26, 2006

Chairperson Sally Byrn convened a regular meeting of the Entrepreneurship Subcommittee of the Board of the Indiana Economic Development Corporation at 9:30 a.m. on Thursday, January 26, 2006, at One North Capitol, 7th Floor Conference Room, Indianapolis.

MEMBERS PRESENT: SALLY RUSHMORE BYRN
 DANE A. MILLER
 BRUCE WHITE

MEMBERS ABSENT: CATHY LANGHAM

STAFF PRESENT: Ryan Asberry
 Nathan Feltman
 Bruce Kidd
 Karl Koehler
 Michael S. Maurer
 Kelly Streepy
 Chad Sweeney

OTHERS PRESENT: Patrick Jamieson, Logical Semantics, Inc.

WELCOME

The Chair noted conformance with State Open Door Policies, as well as the importance of not exposing during discussion and confidential information contained in the proposals upon which the recommended awards are based.

PRESENTATION OF 21ST CENTURY RESEARCH & TECHNOLOGY FUND APPLICATIONS

Mr. Kidd provided a summary of the 21 Fund-IEDC review process. In addition, he noted that the recommended awards are being made primarily to small businesses, and that these awards + the planned SBIR matching awards will commit approximately 28% of the funds available during this fiscal year. However, the 'pipeline' of projects currently under review is such that it is highly likely that the Board will be able to recommend awards up to the full amount available.

Mr. Feltman reminded the Board that the State Budget Committee will make the final approval of the Board's recommendations. He also stated that he hoped telephonic would be allowed in the future.

Noting that each award in the Board Member's packets is a compelling case for support by the State, Mr. Kidd initiated discussion of each project.

Semafore Pharmaceuticals

Indianapolis, IN

Recommended award: \$2,267,700.00

Mr. Kidd noted that this amount is specifically for conduct of initial clinical trials in support of this company's new tissue-targeted pro-drug. Board members noted that such important regulatory milestones are not funded by the venture community and such well-defined risks are best managed by the State.

Mr. White initiated a discussion of the economic development potential of the project and the state of the company. Mr. Kidd pointed out that the manufacturing that resulted would occur in Indiana. Ms. Byrn noted that this project is very risky but that it is exactly where the Fund should be aiming.

Mr. White moved to approve a \$2,267,700.00 award to Semafore; Ms. Byrn seconded the motion. The motion was passed with none opposed.

ZOOM Information Systems

Fort Wayne, IN

Recommended award: \$1,250,000.00

Mr. Kidd pointed out the importance of the telematics/communications sector in Indiana. Board discussion centered around the nature of the 'product' under development. 21 Fund staff noted that past 21 Fund support aided ZOOM's development of a general transportation informatics platform, and that this award supported the commercial implementation of this platform technology in the transportation sector. Mr. Feltman added that ZOOM's initial award was a success and further discussed the relationship between ZOOM and its partner International Truck.

Board discussion also focused on the further development of this company in Indiana, and the scale of its potential jobs creation upside.

Ms. Byrn moved to approve a \$1,250,000.00 award to ZOOM; Mr. White seconded the motion. The motion was passed with none opposed.

Candent Technologies, Inc.

Indianapolis, IN

Recommended award: \$370,000.00

Mr. Kidd noted that while this proposal was developed as a match for a federal (NSF) Phase II SBIR award, this project is of such high quality and potential that it would have passed 21 Fund/ IEDC review on its own. Board discussion centered on the issue of where successful turbine designs would be commercially developed. It was noted that the central Indiana environment was favorable to further local development of such engines.

Mr. White moved to approve a \$370,000.00 award to Candent; Mr. Miller seconded the motion. The motion was passed with none opposed.

AirVoyance

Kokomo, IN

Recommended award: \$180,000.00

Mr. Kidd noted that this award also addresses telematics issues. The funds would be used for prototype development of their fleet management software. It was noted that this project involves Wabash National, a firm well-known for visionary activities in the transportation sector. It was favorably noted that the project involves a talented group at Taylor University, as well as a Taylor University spin-off company.

Mr. White moved to approve a \$180,000.00 award to AirVoyance; Mr. Miller seconded the motion. The motion was passed with none opposed.

BioVitesse, Inc.

West Lafayette, IN

Recommended award: \$1,300,000.00

Mr. Kidd noted the large-scale impacts of a successful device for identifying living bacteria rapidly. Board discussion included recognition that this company's development has been supported by funds imported from California, federal sources, and a 21st Century Fund SBIR matching award. While BioVitesse's intention of continued development work and manufacturing in Indiana was noted, issues surrounding the retention of such companies in Indiana were discussed.

Mr. Miller moved to approve a \$1,300,000.00 award to BioVitesse; Mr. White seconded the motion. The motion was passed with none opposed.

Nolte/Purdue

West Lafayette, IN

Recommended award: \$404,325.00

Mr. Kidd gave a summary of the proposed project and the reviews. The impact of the BioCD technology in a range of commercial areas was discussed. The importance of continuing to further enhance the capabilities of this platform was recognized, as well as the close ties of IP generated in the Nolte laboratory to the development of QuadraSpec, a rapidly growing company in the Purdue Research Park.

Mr. White moved to approve a \$404,325.00 award to Purdue; Mr. Miller seconded the motion. The motion was passed with none opposed.

DISCUSSION OF ADMINISTRATIVE MATTERS

Following discussion of individual projects, the Board discussed a number of related issues:

- Board members would like IEDC staff to provide brief summaries of projects that have been declined.
- Claw-backs, incentives, disincentives, and other provisions of agreements with awardees.
- Scheduling regular meetings to consider a steady stream of recommended awards and related policy issues.

The next meeting of the Entrepreneurship Subcommittee of the Indiana Economic Development Corporation Board was scheduled for 9:00 a.m. on Thursday, March 16th, 2006 in Fort Wayne.

ADJOURNMENT

Mr. Kidd thanked the group for their hard work. Chairperson Byrn adjourned the meeting.

Respectfully submitted,



Bruce Kidd, Director of Entrepreneurship, Indiana Economic Development Corporation

Approved,



Sally R. Byrn, Chairperson

Indiana Economic Development Corporation Entrepreneurship Committee Meeting

January 26, 2006 (9:30 a.m.)

- I. Welcome – Sally Byrn
 - Recognition of Quorum
 - Recognition of Compliance with Open Door Law
 - Remind the committee we can not discuss proprietary IP in this forum and are excluded from “Open Door/Open Records” disclosure given the nature of these applications

- II. Presentation of 21st Century Research & Technology Fund Applications - Bruce Kidd

- III. Discussion of Administrative Matters Regarding 21st Century Fund – Bruce Kidd