



**BOARD OF REGENTS
COMMITTEE ON ECONOMIC DEVELOPMENT
AND TECHNOLOGY COMMERCIALIZATION**

Minutes of the Public Session
March 31, 2016
University of Maryland University College

The Committee on Economic Development and Technology Commercialization of the University System of Maryland (USM) Board of Regents met in public session on Thursday, March 31, 2016, in the Potomac Ballroom, Salon 2, of the College Park Marriott Hotel and Conference Center at the University of Maryland University College.

Regent Attman called the meeting to order at 12:35 p.m. The regents in attendance were Mr. Attman, Mr. Brady, Ms. Gooden, Mr. Gossett, Senator Kelly, Mr. Pevenstein, and Mr. Rauch. Also present at the meeting were Dr. Caret, Mr. Vivona, Mr. Balakrishnan, Mr. Darmody, Ms. Doyle, Ms. Moultrie, Mr. Raley, Assistant Attorney General Langrill, Dr. Connelly, Mr. Drake, Mr. Hammond, Ms. Hess, Mr. Hughes, Mr. Lurie, Mr. Maginnis, Ms. Martin, Mr. Murray, Mr. Naft, Ms. O'Neil, Dr. O'Shea, Dr. Robilotto, Mr. Sadowski, Dr. Sandborn, Mr. Ulman, Dr. Varma, and Dr. Yu. Regent Attman recognized Mr. Sadowski, who will be starting in the new position of Vice Chancellor for Economic Development in May, and Dr. Varma for her many years of service and counsel to the USM and the Committee.

1. Featured Start-Up – Xcision Medical Systems, LLC (Information Item)

Dr. Cedric Yu, professor in the Department of Radiation Oncology at the University of Maryland's School of Medicine and founder of Xcision Medical Systems, LLC presented highlights of the company and its technology. Xcision Medical Systems is developing solutions that will enable an expanded role of radiation therapy in cancer care, based on a patent from the University of Maryland, Baltimore.

2. Greater College Park Innovation District Update (Information Item)

Mr. Ken Ulman, UMCP's Chief Strategy Officer, briefed the Committee on the progress of the Greater College Park initiative, including economic activity along Baltimore Avenue, updates related to the Innovation District and Research Park, and new companies that are now calling Prince George's County home. Economic development is well underway throughout College Park. The vision is to transform College Park into a top college town by the revitalization of the downtown area as well as the enhancement of the academic campus and surrounding communities. Through funding from private partners, alumni and the State, amenities such as a hotel, restaurants, a super store and a grocery store are being built along with new

academic buildings. These new amenities, which will extend the core campus, will also be linked to the M Square Research Park and metro, with the objective of increasing engagement and positioning College Park as a thriving ecosystem for entrepreneurs, start-ups, and existing companies.

3. Early Stage Investment Fund Opportunities Update (Information Item)

In FY 2015, based on the USM Policy on Investments, UM Ventures made modest investments and loans totaling \$400,000 in five start-ups. This funding has already helped attract an additional \$17 million into these start-ups, leading to the creation of more than 20 jobs. To capitalize on the opportunities to invest in USM-affiliated start-ups, Mr. Jim Hughes, Director of UM Ventures and Vice President at UMB, spoke about the initiative to establish an early stage investment fund.

UM Ventures is seeking to create a \$25 million early stage venture fund focused on investing in USM affiliated companies, with a \$10 million investment over four years from the USM and an additional \$15 million from Venture Funds, the State of Maryland, Foundations, and Friends of USM Institutions. The fund would invest in companies based on USM-owned intellectual property; companies founded by USM faculty, students or recent graduates; and companies located in USM research parks, incubators, or RISE Zones.

The fund is expected to make individual investments between \$50,000 and \$500,000, with larger investments requiring a minimum of a one-to-one match by outside investors. An External Investment Board would establish policies, make investment decisions, and monitor investments.

The Committee unanimously supported the investment fund proposal and recommended moving it for consideration by the Finance Committee.

4. USM New Company Formation – July to December 2015 Report (Information Item)

Mr. Suresh Balakrishnan briefed the Committee on new companies facilitated by the USM institutions for the reporting period July through December 2015. Since the tracking and reporting process was first adopted in July 2011, USM institutions have significantly supported the creation of 451 tier 1 and tier 2 new companies. This result measures well against the 2020 Strategic Plan goal of 325 companies and the USM has exceeded that goal.

During this latest reporting period, USM institutions supported the creation of 13 tier 1, 50 tier 2, 51 tier 3, and 28 tier 4 companies for a total of 142 companies (refer to the report and chart in the public session Board materials). Mr. Balakrishnan also highlighted some of the successes of USM start-ups, including Remedy Pharmaceuticals, VisiSonics Corporation, and Profectus BioSciences. Remedy, based on UMB technology, announced that its drug reduced stroke mortality by 58% versus placebo in Phase 2 clinical trials and the company recently completed a \$9

million financing round. VisiSonics, a UMCP start-up, is bringing 3D sound to gaming, virtual reality, and entertainment and Oculus recently licensed the company's technology for virtual reality applications. Profectus BioSciences began Phase 1 clinical trials at UMB and has also raised \$50 million to develop its Ebola vaccine candidate. Profectus is also a graduate of bwtech@UMBC's Life Sciences Incubator. Regent Gooden remarked that it would be insightful to track the sustainability of USM facilitated start-ups.

The Committee accepted the USM new company formation report for information.

The public session was adjourned at 1:57 p.m.

Respectfully submitted,

Gary L. Attman, Chair
Committee on Economic Development
and Technology Commercialization