



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

Minutes of the Public Session
March 27, 2014
University of Baltimore

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 27, 2014, in the Bogomolny Room of the Student Center Building at the University of Baltimore.

Chairman Attman called the meeting to order at 1:35 p.m. The regents in attendance were Mr. Attman, Mr. Gossett, Mr. McMillen, Mr. Rauch, Ms. Turner, and Dr. Vance (by phone). Also present at the meeting were Chancellor Kirwan, Mr. Vivona, Mr. Balakrishnan, Dr. Boughman, Mr. Darmody, Ms. Doyle and Assistant Attorney General Bainbridge. Guests present included Mr. Drake, Ms. Hemmerly, Mr. Halley, Mr. Lurie, Mr. Niland, Mr. Robilotto, Mr. Sandborn, Dr. Varma, and Dr. Wesson.

1. Featured Medical Device Start-Up – Harpoon Medical, Inc. (Information Item)

Mr. Bill Niland, President and CEO of Harpoon Medical, Inc., presented highlights of the company and its technology. Harpoon Medical, Inc. is a developmental stage medical device company that is commercializing a minimally invasive, image-guided surgical tool for to repair mitral valve regurgitation on a beating heart. When introduced to the market, the Harpoon Medical device should transform the traditional open heart mitral valve surgical procedure from a complex 3 - 6 hour operation to a 60-minute procedure and reduce the recovery period from weeks to days. It will also significantly reduce the risk of stroke.

Harpoon Medical licensed its technology from the Division of Cardiac Surgery at The University of Maryland School of Medicine and is currently in a round of \$3.5 million of angel investor financing. Several prototypes were successfully tested in sheep studies and a First-in-Man clinical study is scheduled in Poland for October 2014. If successful, sales will commence in Europe. FDA approval in the United States is expected to occur in 2017. Committee members mentioned that the presentation was impressive and informative.

2. USM Ventures Investment Fund (Action Item)

On February 14, 2014 the Board of Regents approved a USM Policy on Investments. The policy enables USM institutions to invest in or provide loans to

businesses located in Maryland that license institution-owned intellectual property. Following approval of the policy, UMB supported the creation of a UM Ventures Investment Fund to provide early stage capital to start-up companies. UMB President, Dr. Jay Perman, requested the approval of the Board of Regents to allow UMB/UM Ventures to invest up to a total of \$500,000 in FY14 and FY15 in Maryland-based start-up companies that license university-owned intellectual property.

Regent Attman called for a motion to approve recommending the creation of the UM Ventures Investment Fund to the Board of Regents. Regent Gossett moved the motion; Regent Rauch seconded it; and the motion was unanimously approved.

3. Update on Economic Development Bills (Information Item)

Mr. Brian Darmody provided an update on the economic development bills, which would be beneficial for USM's technology transfer and entrepreneurial activities as well as boost economic development in the state.

Senate Bill 601, the Maryland E-Innovation Initiative, will allow for the auctioning of varied credits to the private sector to match higher education funding to attract the best talent to USM institutions. Mr. Darmody was instrumental in developing this initiative and moving the bill forward.

Senate Bill 600, the Regional Institution Strategic Enterprise (RISE) Zone Program, will strengthen ties between key state, federal and higher education institutions and their surrounding communities to foster increased economic development and neighborhood revitalization. The legislation will utilize enhanced property and income tax credits and accelerated depreciation schedules to spur significant financial investments in designated "RISE Zones".

Mr. Darmody indicated that both bills had been passed by the Senate and were now being considered by the House. The bills were introduced and supported by the President and Speaker.

4. USM New Company Formation – July to December 2013 Report (Information Item)

Mr. Suresh Balakrishnan briefed the Committee on new companies facilitated by the USM institutions for the reporting period July through December 2013. In the two and a half years since the tracking and reporting process was first adopted, USM institutions have significantly supported the creation of 172 tier 1 and tier 2 new companies. This result bodes well against the 2020 Strategic Plan goal of 325 companies. During this last reporting period, July to December 2013, USM institutions supported the creation of 4 tier 1, 54 tier 2, 46 tier 3, and 11 tier 4 companies for a total of 115 companies (refer to the report and chart in the public session Board materials).

Mr. Balakrishnan also highlighted the Committee's five strategic focus areas and some key initiatives relative to these areas, including:

- Faculty P&T and Sabbatical Leave policies that reward research with potential for commercial development
- USM Investment Policy that enables USM institutions to invest in start-ups licensing university-owned intellectual property
- Process in place to track new company formation across the USM
- Boosting of site miners, entrepreneurs in residence, and licensing staff resources
- Enhancing collaborative activities through UM Ventures
- Strengthening partnerships with various state and federal programs

He noted compelling statistics from the National Council of Entrepreneurial Tech Transfer on the success and importance of university-based start-ups relative to the industry as a whole and concluded with some examples of notable successes:

- Seven site miners have been critical in assisting UMB, UMBC, and UMCP faculty and start-ups to win 23 Maryland Innovation Initiative Awards, totaling more than \$2.2 million
- Late last year, MedImmune announced a 5-year \$6+ million Strategic Collaboration that includes UMB, UMCP, and UMBC
- After the last update on new company formation in September, Gliknik, a start-up co-founded by a UMB faculty member, announced a world-wide licensing agreement with Pfizer with an upfront payment to Gliknik of \$25 million

In addition, Mr. Balakrishnan mentioned that two women-owned start-ups, OmniSpeech and Light Point Security, were featured at previous Committee meetings.

5. UMBC Research Park Corporation Investment Agreement (Information Item)

Ms. Ellen Hemmerly, President and Executive Director of bwtech@UMBC Research and Technology Park, updated the Committee on the investment agreement between UMBC and the UMBC Research Park Corporation (RPC). UMBC determined that the consolidation of its incubator equity management with RPC's Investment Committee would allow for improved efficiency and effectiveness in the administration of UMBC's equity interests. In October 2013, a transfer agreement between UMBC and RPC was approved by the Board of Public Works and was fully executed. This agreement assigns responsibility for the administration and management of UMBC's incubator equity portfolio to RPC and the majority of any proceeds from the sale of equities flow back to UMBC.

The public session adjourned at 2:25 p.m.

Respectfully submitted,

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