



The Board of Regents Committee on Economic Development and Technology Commercialization

Minutes of the Public Session

January 31, 2019

Regent Attman called the meeting to order at 12:01pm. The regents in attendance were G. Attman, L. Gooden, R. Rauch, K. Dennis, E. Fish, \*B. Gossett, R. Pevenstein, R. Wallace, and \*L. Frazier. Others in attendance included: A. Delia, N. Hammond, D. Drake, J. Naft, J. Zuknick, and D. Seifert.

**Information Item: Featured Startup Infercabulary**

Beth Lawrence, CEO and Co-Founder of Infercabulary, presented on the edtech company's progress so far. Beth spent years helping students as a speech pathologist. Infercabulary's software gives students the opportunity to encounter words in multiple contexts in the visual domain. It is the opposite of rote memorization of something that is not understood. This process usually takes a long time, but the company has found a way to speed up this process. Towson University is one of their current paying licensees. They are in exciting conversations with early distribution partners. The company has research-backed University of Virginia data to show significant difference to apply new words learned versus business as usual instructions. They are funded by TEDCO and are resident members of the TU incubator, which have both been helpful. The company would not be where they are without advising from Frank Bonsal at the TU incubator. CEO roundtables at TEDCO are also helpful. Challenges include the long sales cycle of edtech. Another immediate challenge is obtaining research data from a recently funded pilot. The company will explore the MIPS program.

**Information Item: Towson University Entrepreneurship**

Next, Dr. Daraius Irani, Vice President Strategic Partnerships and Applied Research, presented Towson University updates. Towson alumni have started numerous business; entrepreneurship is in its DNA. TU President tasked Dr. Irani's division and others with developing a coordinated, university-wide strategy for entrepreneurship. Dr. Nick Hammond was hired and is performing a gap analysis. Another task will be considering the relocation of the TU incubator, which is currently not near amenities that are available after 5pm. Communication will be key after the strategy is developed. TU plans to continue to tap into the Baltimore City entrepreneurship ecosystem and the strengths of local economic development as part of this strategy. They are looking domestically and internationally for good models of "entrepreneurship 2.0" and seeking to learn from lessons others have had over the last 15 years.

**Information Item: USMO Updates**

Tom Sadowski provided updates from the USMO. The Momentum Fund is going well. The committee noted that the returns of over 3X are surpassing the initial goal of 1.5X. The investment has been instrumental for the companies funded so far. The USMO is working with colleagues in Student Affairs on credentialing around technology entrepreneurship. Regent Wallace recommended the University of

Pennsylvania and their entrepreneurship track as an example. UMBC training centers software development and cyber training are working well, and they are working with the CyberWarrior program. There may be opportunity to partner with ARL on an extreme battery accelerator. Excel MD was accepted as study phase, and a bill (SB 175 / HB 235) has been introduced this session for a “statewide economic development initiative to accelerate commercially-driven, innovation related investment and job growth – with special focus on the state’s life science and cyber-related industries.” The governor has proposed \$16M to get the program started.

Ken Ulman, President of Margrave Strategies, joined to discuss a federal program that provides tax benefits to investors in Opportunity Funds, which invest in designated economically distressed areas called Opportunity Zones. There are two primary modes: 1) Real estate development 2) Direct investment. Real estate projects at this moment should be shovel-ready, with permits in hand, because projects need to be invested quickly after capital gains have been made. The Yard 56 project in Greektown is an early example. It was Prudential Financial’s first Opportunity Zone investment and is a mixed-use development. Direct investment in companies is not attractive at this time because of regulations including the need for 70% of assets to be located in the Opportunity Zone and the majority of revenue needs to be earned there, among other rules. Further revision and clarity around these rules may see more direct investment in the future. For now, however, real estate projects in these economically distressed areas are a good first step so that companies will want to operate out of the zones. All but 2 USM institutions are located within or near Opportunity Zones. The Vice Chancellor is on the Governor’s task force and will be able to ensure that focus is kept on lifting these areas up. Ken applauded the Governor and others on layering state and local incentives. Related Maryland legislation is SB174 More Opportunities for Marylanders Act.