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**MINUTES OF THE 160TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
MARCH 15, 2013
LITTLE ROCK, AR**

CALL TO ORDER

The meeting was called to order by Dr. Cesar Compadre, Vice Chairman of the Board, in the Bessie Moore Board Room, located at 900 W. Capitol Avenue in Little Rock, Arkansas. Dr. Jones, Chairman of the Board, later presided over the meeting.

A quorum of Board members was present and included: Mr. Bradford Caldwell, Mr. Gary Campbell (via phone), Dr. Carl Frederickson, Dr. Collis Geren, Mr. Joel Harrison, Dr. Beverly Lyn-Cook, Mr. Paul Mastro, Mr. Michael Nauman, Mr. Heartsill Ragon, Dr. Robert Sproles (via phone) and Mr. Rod Sweetman (via phone).

Staff members present: Ms. Melissa Adams, Mr. James Downs, Dr. Blake Perry, Ms. Cathleen Bailey, Dr. Steve Stanley, Mr. Andy Hendricks, Ms. Stephanie Johnson, Ms. Ashley Spurr, Dr. Gail McClure, Ms. Cathy Ma and Ms. Shirley Vanderslice.

APPROVAL OF MINUTES

Dr. Compadre presented for approval the minutes of the January 13, 2013 Board meeting. Dr. Frederickson moved approval of the minutes as presented. Mr. Harrison seconded the motion; the Board gave its unanimous approval.

PRESIDENT'S REPORT

FY2013 Operating Report

Dr. Perry presented the FY2013 Operating Report. Mr. Ragon moved acceptance of the report as presented. Mr. Caldwell seconded the motion; the Board gave its unanimous approval.

FY2013 Investment Summary

Dr. Perry presented the FY2013 Investment Summary.

Mr. Downs pointed out that AMS and STEM Works activity had been added to the project activity map and it shows that the Authority has impact in more areas of the state than the previous maps had shown.

Mr. Ragon moved acceptance of the FY2013 Investment Summary. Dr. Lyn-Cook seconded the motion; the Board gave its unanimous approval.

INDUSTRY COMMITTEE REPORT

Mr. Paul Mastro presented the Industry Committee Report.

Dan Mickelson, the newest AMS member, has completed his orientation and is now working out of Fayetteville.

Filling the open position located at SAU-Tech in Camden has been put on hold until July.

Jim Lilly has notified AMS that he intends to retire the end of March. His position will be filled in July.

AMS' projected booking activity has begun to improve.

The Board was updated on several partner activities. AMS is partnering with economic development groups in Pine Bluff to put together a manufacturing consortium. AMS is working with AEDC to review the Modern Workplace for Teachers program. The Toyota Kata Summit was a huge success with over 70 attendees from Arkansas companies and MEP reps from several states.

AMS is considering adding E-3 (economy, energy and environment) to its Sustainable Service portfolio. Dan Curtis is leading a steering team to determine if AMS should proceed.

In January, the scores for AMS on the January CORE scorecard continued to improve and are again above the median average.

In regards to the federal sequester, it should have no impact on AMS funding.

RESEARCH AND COMMERCIALIZATION COMMITTEE

Mr. Campbell presented the Research and Commercialization Committee report.

Quarterly TTAG Report

Mr. Campbell reviewed the quarterly TTAG Report. The report was moved and seconded by the committee. The Board gave its unanimous approval.

Seed Capital Quarterly Report

Mr. Campbell reviewed the Seed Capital Quarterly Report. The report was moved and seconded by the committee. The Board gave its unanimous approval.

Draft Resolution 13-24

Draft Resolution 13-24 would provide Seed Capital Investment funds in the amount of \$300,000 to Ascendant Diagnostics, LLC. Ascendant Diagnostics, LLC will use the funds as working capital to develop a low cost non-invasive biomarker-based diagnostic test for early detection of cancer.

Dr. Stanley reported that milestones will be set up in regards to release of the funding.

Draft Resolution 13-24 was moved and seconded by the committee. The Board gave its unanimous approval.

Draft Resolution 13-25

Draft Resolution 13-25 would provide Seed Capital Investment funds in the amount of \$200,000 to NanoWatt Design, Inc. The funds will be used for working capital to allow the company to hire a qualified engineer and to lease critical design software to validate the potential improvements in energy savings achievable using the company's Sleep Convention Logic (SCL) technology. This new technology will help preserve the battery life of cell phones.

Draft Resolution 13-25 was moved and seconded by the committee. The Board gave its unanimous approval.

Draft Resolution 13-26

Draft Resolution 13-26 certifies In House Research by a Targeted Business Tax Credits for the following projects:

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(c)] submitted for tax year 2012 by Merchant View, LCC in the amount of \$875,082.00 in expenses eligible for \$288,777.06 in tax credits (AEDC Project No. 11570);

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(c)] submitted for tax year 2012 by NanoWatt Design, Inc. in the amount of \$93,141.19 in expenses eligible for \$30,736.59 in tax credits (AEDC Project No. 12166);

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(c)] submitted for tax year 2012 by First Orion Corporation in the amount of \$702,553.36 in expenses eligible for \$231,842.61 in tax credits (AEDC Project No. 11166);

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(b)(1)] submitted for tax year 2012 by Superior Industries International, Inc. in the amount of \$4,799,042.00 in expenses eligible for \$959,808.40 in tax credits (AEDC Project No. 11495).

Draft Resolution 13-26 was moved and seconded by the committee. The Board gave its unanimous approval.

Mr. Campbell updated the Board concerning the possible audit of an Authority funded company. Since the January meeting, the Authority has resolved the outstanding issues with the company in question and the staff will not be requesting an audit.

SPONSORED PROJECTS COMMITTEE REPORT

Dr. Frederickson presented the Sponsored Projects Committee Report.

Dr. Frederickson reported that the staff was still finalizing the list of recipients for the REU internships approved at the January meeting. When all the recipients have been identified and mentors assigned, the list will be provided to the Board.

A multi-state meeting is being planned to discuss a possible collaboration on an NSF grant that targets energy research.

The state’s EPSCoR annual meeting is scheduled for June 26th.

Draft Resolution 13-27

Draft Resolution 13-27 would provide funding for the following projects:

University of Arkansas, Fayetteville (Project No. 13-EPS2-0014) in support of VICTER Center Project, in the amount of \$98,723.40 for the period of March 15, 2013 through March 15, 2014;

Arkansas State University (Project No. 13-EPS2-0015) in support of P3 and VICTER Center Projects and the Next Gene Sequencing Project, in the amount of \$138,183.40 for the period of March 15, 2013 through July 31, 2014;

University of Central Arkansas (Project No. 13-EPS2-0016) in support of P3 Center Project, in the amount of \$50,000 for the period of March 15, 2013 through March 15, 2014;

University of Arkansas at Little Rock (Project No. 13-EPS2-0017) in support of GREEN Center Project, in the amount of \$38,737.87 for the period of March 15, 2013 through March 15, 2014;

University of Arkansas at Pine Bluff (Project No. 13-EPS2-0018) in support of GREEN Center Project, in the amount of \$30,816.25 for the period of March 15, 2013 through March 15, 2014.

Draft Resolution 13-27 was moved and seconded by the committee. The Board gave its unanimous approval.

Draft Resolution 13-28

Draft Resolution 13-28 would provide funding for the following projects:

Mid-America Science Museum (MASM) (Project No. 13-EPS2-0012) in support of the GREEN Mobile Education Outreach Project, in an amount not to exceed \$20,000 for the period of March 15, 2013 through March 15, 2014.

University of Arkansas at Little Rock (UALR) (Project No. 13-EPS2-0013) in support of the GREEN Mobile Education Outreach Project, in an amount not to exceed \$6,700.95 for the period of March 15, 2013 through September 30, 2015.

Draft Resolution 13-28 was moved and seconded by the committee. The Board gave its unanimous approval.

NEW BUSINESS

Research Matching Funds

Dr. Perry reported that the Authority has a line in the budget, totaling \$292,653, to match federal grant awards. It is likely that the Authority will receive additional funds for that line during this legislative session. Dr. Perry stated that in May, the staff would present a plan for distributing the additional funds.

Next Meeting Date

Dr. Jones reminded members that the next meeting was scheduled for May 17, 2013.

Executive Session

Dr. Frederickson moved that the Board go into executive session. Dr. Geren seconded the motion. The Board voted unanimously to go into executive session.

The executive session as adjourned and Dr. Jones reported that the Board had not arrived at any decisions during the session.

Proposed Grants

Dr. Frederickson presented two grant opportunities that the Authority staff is pursuing. The first grant involves the Gear Up program; the Authority would be working with the Arkansas School for Mathematics, Sciences and the Arts on this project. The second grant opportunity is from AmeriCorps. The grant would be used to provide support staff for math resource centers across the state and two internships at the Authority.

Dr. Frederickson moved that the staff move forward with the grant submissions. Dr. Lyn-Cook seconded the motion; the Board gave its unanimous approval.

ADJOURN

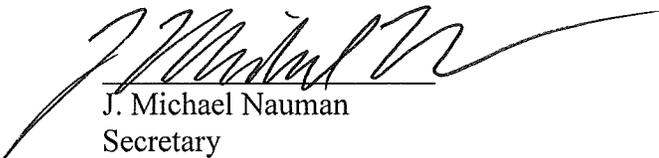
There being no further business to conduct, the meeting was adjourned.

Respectfully submitted,



J. Michael Nauman
Secretary
Board of Directors

Approved by the Board of Directors
on this 17th day of May, 2013.



J. Michael Nauman
Secretary
Board of Directors