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**MINUTES OF THE 166TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
MARCH 21, 2014
LITTLE ROCK, AR**

CALL TO ORDER

The meeting was called to order by Dr. Cesar Compadre. Chairman of the board, in the ASTA conference room, located at 900 W. Capitol Ave, Suite 320 in Little Rock.

A quorum of Board members was present and included: Mr. Bradford Caldwell (via phone), Mr. Gary Campbell, Dr. Carl Frederickson, Mr. Joel Harrison, Dr. Seshadin Mohan, Mr. Michael Nauman, Dr. Robert Sproles, Mr. Heartsill Ragon and Dr. Andy Sustich.

Staff members present: Ms. Melissa Adams, Dr. Tim Atkinson, Ms. Cathleen Bailey, Mr. James Downs, Dr. Gail McClure, Dr. Steve Stanley, Mr. Chris Snider, Ms. Audrey Carroll, Ms. Stephanie Johnson, Mr. Andy Hendricks, Ms. Julianne Gonzalez, Mr. Dan Curtis.

APPROVAL OF MINUTES

Dr. Compadre presented for approval the minutes of the January 17, 2014 Board meeting. Mr. Ragon moved approval of the minutes as presented. Mr. Nauman seconded the motion; the Board gave its unanimous approval.

PRESIDENT'S REPORT

Dr. Atkinson reviewed the FY2014 Investment Summary.

Dr. Sproles moved acceptance of the FY2014 Investment Summary. Mr. Campbell seconded the motion; the board gave its unanimous approval.

Draft Scorecard

Dr. Atkinson reviewed the draft scorecard being developed by staff. Dr. Atkinson stated this came about as a result of staff team meetings that the agency recently completed. The scorecard is still in the development stages, but he wanted to give the Board an idea of what was being developed. Dr. Sustich mentioned that he didn't see anything on the scorecard concerning diversity, which is one of the things ASSET will be focusing on in one of their proposals. Dr. Atkinson stated that would be corrected. Dr. Atkinson stated that the scorecard is closely aligned with the state's S&T and R&D plans.

INDUSTRY COMMITTEE REPORT

Mr. Michael Nauman presented the Industry Committee Report.

AMS had its biennial review on January 14 and everything went fine. The only concern is staffing, which should be resolved soon.

The Executive Committee approved a sub-recipient agreement between ASTA and ASU, which will allow AMS to hire a field engineer, Keith Gamill, who will start April 1.

AMS has entered into a one year, no-cost license agreement with the Eureka Ranch. This agreement gives AMS access to Eureka Ranch's Innovation Engineering intellectual property.

Current project revenue for AMS totals approximately \$261,000.

The E3 (which stands for Economics-Energy-Environment) project is moving along. Project manager Dan Mickelson attended training in North Carolina and is currently meeting with potential clients to do energy assessments. The AEDC Energy Office awarded AMS \$90,000 to support this initiative. AMS needs to complete six assessments before the end of June.

Subrecipient Agreement with Arkansas Regional Innovation Hub

Mr. Nauman presented for the Board's consideration a proposed subrecipient agreement with the Arkansas Regional Innovation Hub (ARIH).

AMS proposes to work with ARIH in hiring a business development and delivery person to promote services to manufacturing clients through its "Launch Pad". The Launch Pad is a Maker Space and Product Development Lab that will provide cutting edge tools and technology for manufacturers, professionals and amateur tinkerers.

The agreement totals \$75,000 and will go towards salary for a full time project manager, equipment/supplies and other direct costs.

Mr. Nauman moved approval of the proposed subrecipient agreement. Mr. Ragon seconded the motion. After further discussion, Mr. Harrison stated he was not comfortable voting on the motion that wasn't formally presented in writing; he also wanted additional information before

making a decision. Dr. Compadre stated that additional information and a formal motion, in writing, would be emailed to the members after the meeting and their votes on this motion would be submitted via email.

After the meeting, an email was sent to the Board with the motion and second to approve a Partnership Agreement between the Arkansas Science & Technology Authority and the Arkansas Regional Innovation Hub. This agreement outlines services to be provided, supervision of personnel, and budget to provide a major outreach venue for Arkansas Manufacturing Solutions Growth, Innovation and Product Development Services to manufacturers for an amount not to exceed \$75,000.

Votes were submitted via email; the motion was passed unanimously.

COMMERCIALIZATION COMMITTEE REPORT

Mr. Gary Campbell submitted the Commercialization Committee report.

Quarterly TTAG Report

Mr. Campbell presented the Quarterly TTAG report. Mr. Ragon moved acceptance of the report. Mr. Harrison seconded the motion; the Board gave its unanimous approval.

Seed Capital Quarterly Report

Mr. Campbell presented the Seed Capital Quarterly report. Mr. Ragon moved acceptance of the report. Dr. Sproles seconded the motion; the Board gave its unanimous approval.

Draft Resolution 14-22

Draft Resolution 14-22 would provide Technology Development funding for the following application:

Application No. 14-TDP-03, "Developing Improved Approaches To Infection Prevention with Synthetic Antimicrobial Polymers" by TiFiber LLC, in an amount not to exceed \$75,000.

TiFiber has developed a family of synthetic antimicrobial polymers (TiAMP). Initial applications being developed are for personal care products, wound care dressings, medical devices and textiles.

Dr. Stanley stated that the Authority has invested in the company before and they have a proven track record.

Dr. Sproles made a motion to approve Draft Resolution 14-22. Mr. Campbell seconded the motion; the Board gave its unanimous approval.

Draft Resolution 14-23

Draft Resolution 14-23 would provide Technology Development funding for the following application:

Application No. 14-TDP-05, "Develop Clinical Prototype Of In-Vivo Photoacoustic (PA) Flow Cytometry (PAFC) For Real-Time Detection Of Circulating Clots" by Zharov/UAMS, in an amount not to exceed \$75,000.

Dr. Zharov has developed a non-invasive test to detect blood clots in the blood stream, which could help prevent strokes and heart attacks. If approved, Dr.Zharov will use the funds to improve the current prototype.

Mr. Harrison made a motion for the approval of Draft Resolution 14-23. Dr. Frederickson seconded the motion. Dr. Compadre abstained. The motion passed.

Draft Resolution 14-24

Draft Resolution 14-24 would provide Seed Capital Investment funds in the amount of \$100,000 to CrossFleet, Inc.

CrossFleet, Inc. has developed two mobile apps to bring sophisticated tracking technology to independent truckers (LOCATE) and small field service maintenance, repair and operations contractors (workCITE).

Dr. Sproles made a motion for the approval of Draft Resolution 14-24. Mr. Campbell seconded the motion; the Board gave its unanimous approval.

Draft Resolution 14-25

Draft Resolution 14-25 would provide Seed Capital Investment funds in the amount of \$100,000 to NanoWatt Design. If approved, the funds will be used in commercializing its proprietary SCL asynchronous circuit design solutions and SCL Compiler software.

Dr. Frederickson made a motion to approve Draft Resolution 14-25. Mr. Nauman seconded the motion; the Board gave its unanimous approval.

Draft Resolution 14-26

Draft Resolution 14-26 certifies nine 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(b)(1)] submitted for tax year 2013 by Superior Industries Inc. in the amount of \$6,373,589.00 in expenses eligible for \$1,274,717.80 in tax credits (AEDC Project No. 11495).

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(c)] submitted for tax year 2013 by Movista LLC in the amount of \$1,238,947.54 in expenses eligible for \$408,852.69 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 2013 by First Orion Corp. in the amount of \$682,854.10 in expenses eligible for \$225,341.85 in tax credits (AEDC Project No. 11166).

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(c)] submitted for tax year 2013 by TiFiber LLC in the amount of \$79,887.00 in expenses eligible for \$26,362.71 in tax credits (AEDC Project No. 13-ETC-05).

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(c)] submitted for tax year 2013 by Nutraceutical Innovations LLC in the amount of \$37,845.00 in expenses eligible for \$12,488.85 in tax credits (AEDC Project No. 11569).

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(c)] submitted for tax year 2013 by Ascendant Diagnostics LLC in the amount of \$156,310.00 in expenses eligible for \$51,582.30 in tax credits (AEDC Project No. 11991).

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(c)] submitted for tax year 2013 by NanoWatt Design Inc. in the amount of \$204,891.00 in expenses eligible for \$67,614.03 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 2013 by BiologicsMD Inc. in the amount of \$168,859.00 in expenses eligible for \$55,723.47 in tax credits (AEDC Project No. 12371).

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(c)] submitted for tax year 2013 by Ozark Integrated Circuits Inc. in the amount of \$101,303.73 in expenses eligible for \$33,430.23 in tax credits (AEDC Project No. 12221).

Mr. Campbell made a motion to approve Draft Resolution 14-26. Mr. Ragon seconded the motion; the Board gave its unanimous approval.

Draft Resolution 14-27

Draft Resolution 14-27 certifies one R&D Tax Credit for the following project:

Proposal No. 14-A-01, "Removal of Endocrine Disrupters by Membrane Separation for the Reuse of Municipal Wastewater Effluent", by Dr. Ranil

Wickramasinghe of the University of Arkansas, Fayetteville. This is year two of a three year project funded by Garver LLC at \$50,000 per year.

Dr. Sustich made a motion to approve Draft Resolution 14-27. Dr. Sproles seconded the motion; the Board gave its unanimous approval.

Draft Resolution 14-28

Draft Resolution 14-28 would provide certification of the ASU Catalyst Innovation Accelerator as a qualified technology incubator.

The Authority received a letter of confirmation from Arkansas State University confirming that the incubators are operating in cooperation with the University and the mission of the incubators is to foster the growth of technology based enterprises.

Mr. Ragon made a motion to approve Draft Resolution 14-28. Mr. Harrison seconded the motion. Dr. Sustich abstained. The motion passed.

RESEARCH AND SPONSORED PROJECTS COMMITTEE

Dr. Carl Frederickson presented the Research and Sponsored Projects Committee Report.

Dr. Gail McClure was recognized to update the Board on ASSET projects.

The joint Track II proposal, developed in partnership with Missouri, has been submitted. If funded, it will be a \$6 million project. An announcement should come sometime in May.

The proposal for the Track I project is due in August. This is a nine campus project.

The Track III proposal was recently funded. This is a five year, \$700,000 proposal.

Dr. Compadre stated he would like to see more new, young researchers getting EPSCoR funding rather than the same researchers getting funded every time. He stated it is important to develop the next generation of leaders.

It was suggested that the Board urge the Science Advisory Committee to adopt language in their rules and guidelines that preference will be given to researchers who have not been funded before, if it fits within the proposal guidelines.

Mr. Nauman moved that the board request from the Science Advisory Committee draft language, to be included in their rules and guidelines, concerning preference being given to researchers who have not received EPSCoR funding. Dr. Frederickson seconded the motion; the motion was passed.

Draft Resolution 14-29

Draft Resolution 14-29 would provide funding for the following proposal:

14-EPS2-0013, "NSF EPSCoR Communication Internship Award", submitted by University of Central Arkansas, in an amount not to exceed \$8,900.00 for the period of March 21, 2014 through March 20, 2015.

Draft Resolution 14-29 was moved and seconded by the committee. Dr. Frederickson abstained. The motion passed.

NEW BUSINESS

Release of General Improvement Funds

Dr. Atkinson briefed the Board on the recent release of General Improvement funds. In July, \$1.5 million was released; those funds have been re-appropriated for fiscal year 2015. Dr. Atkinson provided the Board with a chart showing the proposed distribution of funds.

Program	Home Agency	Need	FY15 GR	FY14 GIF*	Total for FY15?	DIFF
Innovate Arkansas	AEDC	5.00	0.00	0.00	0.00	5.00
Post-Doc Retention Program	ASTA	0.50	0.00	0.00	0.00	0.50
Basic/Applied Research	ASTA	1.00	0.00	0.75	0.75	0.25
Arkansas Research Alliance	ASTA	2.60	0.00	0.00	0.00	2.60
EPSCoR/ARMF**	ASTA	6.00	1.00	0.00	1.00	5.00
TTAG (SBIR) Tech Development	ASTA	0.25	0.00	0.25	0.25	0.00
Seed Capital Investment Fund	ASTA	1.30	0.00	0.30	0.30	1.00
<i>Business Incubator Program</i>	<i>ASTA??</i>	<i>0.30</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.30</i>
Arkansas Risk Capital Matching	ADFA/ASTA/AEDC	1.75	0.00	0.20	0.20	1.55
		18.70	1.00	1.50	2.50	16.20

All figures in Millions

*Already recommended by ARA board and approved by ASTA board, but not used. Re-appropriation to FY15 approved.

**Locked for FY15/FY16

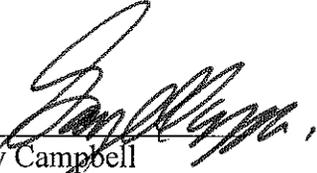
FY15 Avail 2.5

Dr. Sustich made motion to approve the staff moving forward with the proposed distribution of available funds. Dr. Sproles seconded the motion; the Board gave its unanimous approval.

ADJOURNMENT

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

Respectfully submitted,



Gary Campbell
Secretary
Board of Directors

Approved by the Board of Directors
on this 9th day of May, 2014.



Gary Campbell
Secretary
Board of Directors