

Advanced Materials Technology Strategy

A Technology Development Initiative

Consistent with the Licking County Community Capitalism effort, it is proposed for the Port Authority to make a major, strategic investment in incentive programs designed to strategically capitalize on Licking County's strengths in the advanced materials industry.

It is noteworthy that none of these monies used to fund these strategic new programs are from tax revenues.

The comprehensive Advanced Materials Technology Strategy proposal includes these elements:

- Investment of \$1 million of Port Authority funds into a technology development strategy aimed at sparking growth in small business and entrepreneurial development in Licking County.
- \$500,000 will be invested in an "early stage capital" fund with a new non-profit partner of the Port Authority. The Port Authority emphasizes this is an "investment" in emerging technologies of Licking County, not a grant, that will be administered by a new, development-oriented non-profit.
- A Technical Development Advisory Committee consisting of some of Licking County's greatest technologically-oriented leaders will be established to review all technology investments. The TDAC will also act as a sounding board for projects at various stages of development and, its hoped, a springboard to venture capital.
- In addition, \$250,000 will be set aside to fund the Port Authority's Linked Deposit program, a capability begun in 2005 now expanded to advanced materials and \$200,000 will be set aside for a future Port Authority loan guarantee program targeted at small business and entrepreneurial development. These will be Port Authority-administered incentive programs.
- \$50,000 in Community Projects Program funds will be provided as seed funding for the proposed STEM (Science Technology Engineering and Math) education initiative at The Works. The funding will seek to establish a Licking County STEM Hall of Fame to recognize technology leaders.
- The Port Authority will strengthen its already-existing relationships with existing small business advisory service organizations. This strategy will be an added tool for these providers. These partner organizations will, under a partnership agreement, be the intake and "sponsors" for potential small business customers and the ones who help match customer needs with available buildings, financing, business planning, and other small business services needs.

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COMPONENT: Early Stage Capital Fund

The Port Authority will invest \$500,000 in a development-oriented non-profit or the purpose of establishing an early-stage capital fund. The fund is Licking County's first effort in helping to finance the start up and advancement of emerging technologies.

The non-profit is encouraged to seek additional investment funds from other sources. The purpose is to grow the fund so more projects are fundable in the future.

The Port Authority will not directly control the operations of the non-profit but will ensure the success of its investment through the following:

Board Appointments. A new, non-profit entity will be created to accept the investment and administer the program. A five-member board is recommended with two Port Authority appointees. Our investment partners will appoint additional members.

Investment Metrics. The Port Authority investment, actually in the form of a loan to the non-profit, is expected to yield a positive return on investment, a portion of which the Port Authority Board can opt to retain with the non-profit or remove from the principal balance annually. The Port Authority commits to retain its earnings with the non-profit for a period of time to give it a start.

No single project can exceed \$100,000 in funding. A super majority of the non-profit Board is required to approve funding for a project.

Staffing. The Port Authority Board agrees, on a contract basis, to provide staff time to assist with the start-up and administration of the non-profit. The staff time will be on a consultant-like basis and be billable to the non-profit and recoverable by the Port Authority. No Port Authority staff will receive compensation from the non-profit. The Port Authority Board may opt to capitalize its consulting time costs (that is retain them as earnings in the non-profit).

Local Impact. The Port Authority will require that any projects funded using its funds through the early stage capital fund must demonstrate a long-term commitment to Licking County by both having a physical presence in Licking County and employing people from Licking County.