

**STRATEGIC ECONOMIC INVESTMENT AND COMMERCIALIZATION BOARD
JUNE 18, 2008 MEETING**

ADOPTED MEETING MINUTES

A meeting of the Strategic Economic Investment and Commercialization (SEIC) Board was held at the Michigan Economic Development Corporation (MEDC), 300 N. Washington Square, Lansing, Michigan, on June 18, 2008.

MEMBERS PRESENT: David Baumgarten; John Brown; Mary Campbell; David Cole; Keith Cooley; Jim Croce; Mark Haas (acting on behalf of Robert Kleine, authorization attached); Michael Jandernoa; Lynnette Rhodes; Lou Anna Simon; George Vande Woude; Dennis Wend; Mary Sue Coleman (via telephone); John Dunn (via telephone); Ken Rogers (via telephone)

MEMBERS ABSENT: David Baker Lewis; Glenn Mroz; Michael Rao; Irvin Reid

CALL TO ORDER: The meeting was called to order at 10:03 a.m. by Chairman Michael Jandernoa. Mr. Jandernoa opened the meeting by first offering congratulations to President Michael Rao and his wife on the birth of their son, Aiden Michael Rao, and then welcomed new board member Lynnette Rhodes, President of L & S Associates, Inc.

APPROVAL OF MINUTES: Mr. Jandernoa asked if there were any questions or comments regarding the minutes from the April meeting. Being none, **John Brown motioned to approve the minutes as presented. Dennis Wend seconded the motion.** The motion was approved unanimously – 14 ayes; 0 nays; 0 recused.

PUBLIC COMMENT: Mr. Jandernoa opened the floor for public comment. There was no public comment.

COMMUNICATION: Nathan Ohle noted to the Board members that replacement/updated agenda materials had been distributed prior to the meeting. He also noted the recusal for Agenda Item D.3-Peer Review Agency.

21st CENTURY JOBS COMPETITION:

Resolution 2008-009: Final Decision Document

Kapila Vigas, MEDC Program Administration Manager, provided background information on this project.

A public hearing was held on March 26, 2008 to allow interested persons the opportunity to express data, views, questions and arguments regarding the 2008 commercialization competition process. At its April 9, 2008 meeting, the SEIC Board discussed how the 2008 commercialization competition meets the requirements of the statute to encourage the diversification of the economy and the creation of jobs in this state. The SEIC Board considered the substantive and editorial public comments. From this discussion, final actions were decided upon for moving forward with the competition. These final actions are outlined in the decision document. *This project is further described in proposed Resolution 2008-009.*

Mr. Jandernoa asked if there were any questions from the Board. Being none, **Jim Croce motioned approval of proposed Resolution 2008-009. Lou Anna Simon seconded the motion.** The motion was approved unanimously – 14 ayes; 0 nays; 0 recused.

Resolution 2008-010: Change of Competition Timeline

Kapila Vigas provided background information on this project.

Because the selection process for the peer review agency was extended, thus forcing the May SEIC Board meeting to be cancelled, the timeline for the competition was extended and had to be changed to reflect the new dates. Essentially, all deadlines were shifted by approximately one month.

Also, as an update on application submission, to date, one application has been submitted, 56 applications are in “editing mode” meaning they are in the process of being submitted, and an additional 93 organizations have registered on the AMS system, which could mean additional applications to be submitted. *This project is further described in proposed Resolution 2008-010.*

Mr. Jandernoa asked if there were any questions from the Board. Being none, **Keith Cooley motioned approval of proposed Resolution 2008-010. Mr. Croce seconded the motion.** The motion was approved unanimously – 14 ayes; 0 nays; 0 recused.

[Mary Campbell Recused]

[David Cole Joins Meeting in Person]

Resolution 2008-011: Peer Review Agency Recommendation - NCMS

Kapila Vigas provided background information and then introduced Richard Jarman, President and CEO, Dr. Manish Mehta, Executive Director of Industry Forums, and Debbie Howay, Manager of Contracts and Finance, all three representing the National Center for Manufacturing Sciences (NCMS).

At the March 12, 2008 SEIC Board meeting a Request for Proposals (RFP) was issued by the Board to solicit proposals for organizations to conduct the independent peer review of commercialization business plans for the 2008 competition. The Board also appointed a Joint Evaluation Committee (JEC) to review and evaluate the proposals received and provide a recommendation to the full board to select the Peer Review Agency. Based on the initial evaluation of the written proposals, NCMS emerged as the final candidate that demonstrated the ability to recruit and assemble peer review experts in each of the four competitive edge technology sectors, as well as reviewers with the knowledge and expertise to assess the viability of technology businesses.

Richard Jarman began by sharing a powerpoint presentation that outlined the company’s background and also their proposed process for selecting awardees in the competition. Dr. Manish Mehta continued with the presentation by detailing the process flow and the timelines NCMS would follow during the awardee selection process. Finally, Debbie Howay finished the presentation by discussing the issue of conflicts of interest and how they would manage this issue, and then presented their proposed budget for the competition. *This project is further described in proposed Resolution 2008-011.*

Mr. Jandernoa asked if there were any questions from the Board. The Board asked the Evaluation Subcommittee to clarify several issues regarding the selection. The subcommittee explained what criteria were used in considering how the final decision was made, NCMS’ preparedness for the competition’s short timeline, and the budgetary information presented for the project. When there were no more questions, Kapila concluded by reviewing the final steps involved in the peer review agency approval process.

Being no more questions or discussion, **Director Cooley motioned approval of proposed Resolution 2008-011. David Cole seconded the motion.** The motion was approved unanimously – 14 ayes; 0 nays; 1 recused.

[Mary Campbell Returns]

Update on the Loan Template Structure: Ned Staebler, MEDC Manager of Capital Markets Development, provided the board with an informational update on the loan template structure. Mr. Staebler explained the process the subcommittee members were undertaking in approaching the loan template for this year's competition. He also noted that it is the intent of the subcommittee to have a final recommendation ready to bring to the board at the July meeting.

Discussion ensued on what this loan structure would look like and how it would affect the companies applying for this year's competition. It was suggested that in the future, the board take an overall look at the State of Michigan and the needs that exist and then address the funding gaps that exist. Mr. Jandernoa asked if there were any additional questions or discussion from the board. There were no more questions.

[Mr. Jandernoa leaves for the remainder of the meeting]

[Director Cooley leads the remainder of the meeting]

[President Simon and Mr. Cole leave for the remainder of the meeting]

Presentation: The Future of Michigan's Workforce: As requested in a past meeting, Director Cooley shared a PowerPoint presentation that detailed trends in workforce in the state of Michigan and what could be expected in the next ten years.

OTHER BUSINESS: Director Cooley opened the floor for any additional business to be addressed. No additional business was introduced for discussion.

ADJOURNMENT: George Vande Woude made a motion to adjourn the June 18, 2008 SEIC Board meeting. The meeting was adjourned at 11:50 a.m.

I certify that these minutes reflect the actions taken by the Strategic Economic Investment and Commercialization Board at the June 18, 2008 meeting.

Dr. Michael Rao
SEIC Board Secretary