CIT»VIPC | VIRGINIA INNOVATION PARTNERSHIP CORPORATION

Connecting Innovators with Opportunity

Commonwealth Commercialization Fund (CCF) in FY22 and beyond

Presented to:

VIPA/VIPC Board of Directors

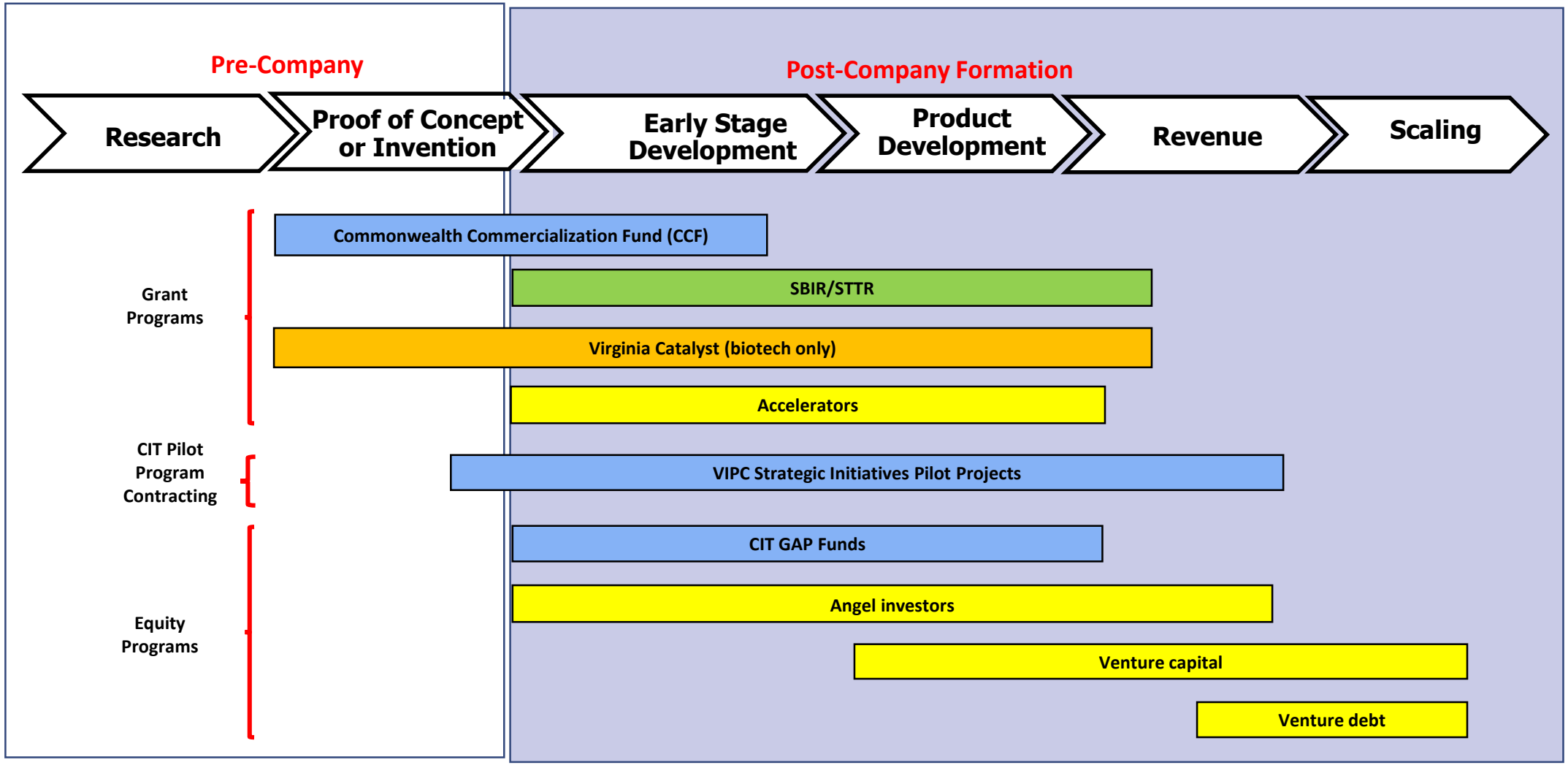
December 2, 2021

VIPA Enabling Legislation

"It is also found and determined by the General Assembly that there exists in the Commonwealth of Virginia a need to … (iii) attract and ***provide additional private and public funding*** *in the Commonwealth to enhance and expand the scientific and technological research and commercialization at* ***state and federal research institutions and facilities****, including* ***by supporting and working with technology transfer offices*** *to advance research from proof-of-concept to commercialization resulting in new business and job creation…"*

From Commonwealth of Virginia Innovation Partnership Act (2020)

Grant, Equity & Contractual Capital Continuum



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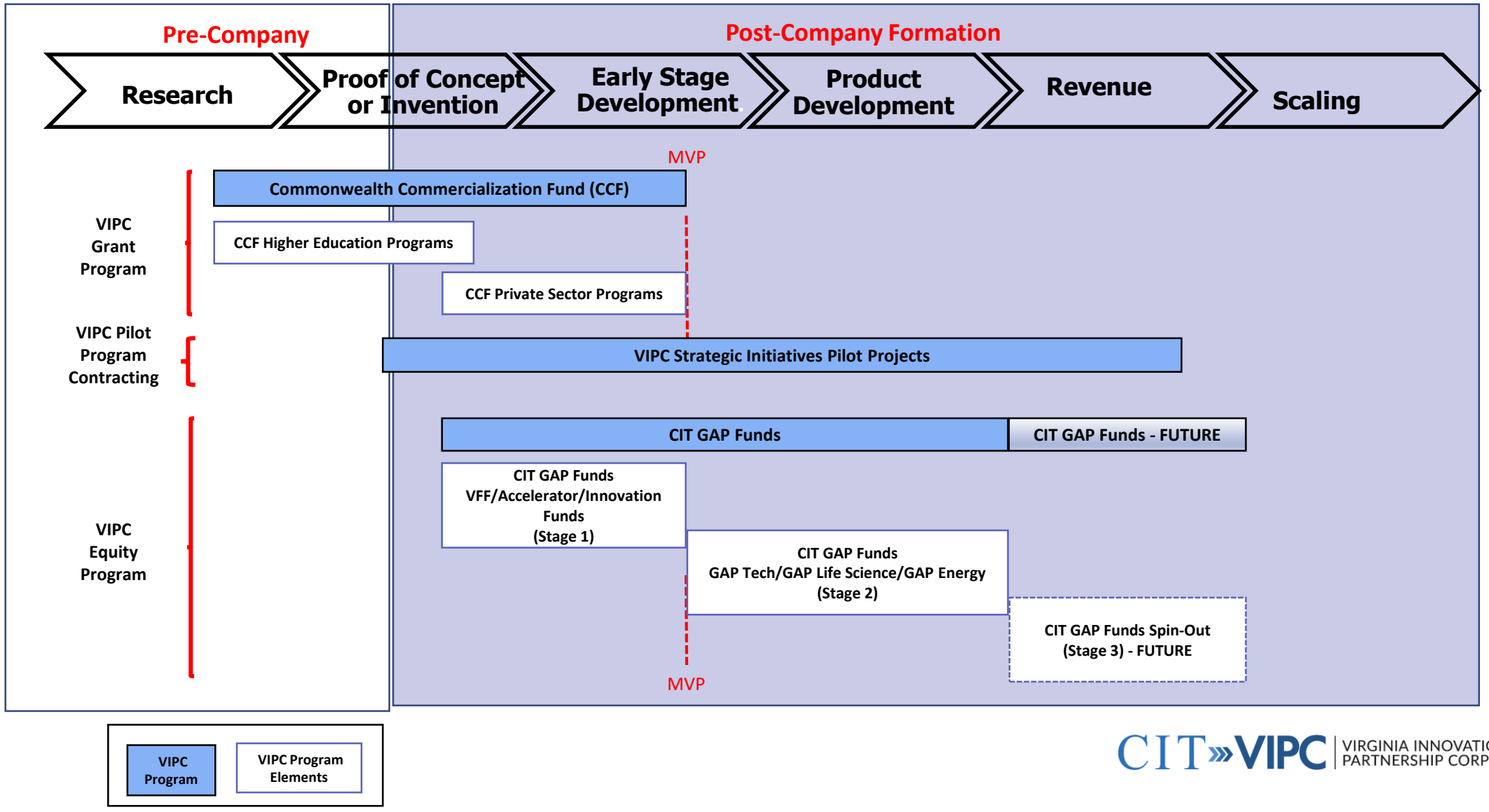
VIPC Grant, Equity & Contractual Programs in Capital Continuum



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Historical Perspective

CIT's Commercialization Division oversees 3 state-funded grant programs totaling 417 projects and over $39 million:

- **CRCF (FY2012-20):** 378 projects, $30,323,489
- **VRIF (FY2016-20):** 5 projects, $5,548,634
- **CCF (FY2021 - *current*):** 34 projects, $3,336,481

Impact metrics since program inception:

- $770 million in follow-on funding
- $128 million commercial revenue ($23 million in last 12 months)
- 876 direct jobs
- 350 products/services commercialized
- 190 patents granted

Roadmap History

Virginia R&T Roadmap Evolution: 2011-2019

Industry	Roadmap 2011	Roadmap 2014	Roadmap 2017	Roadmap 2019
Advanced Manufacturing	✓	✓	✓	
Aerospace	✓	✓	✓	✓
Communications	✓	✓	✓	
Cybersecurity	✓	✓	✓	✓
Energy (includes clean energy)	✓	✓	✓	
Environment	✓	✓	✓	✓
IT (includes data analytics)	✓	✓	✓	✓
Life Sciences	✓	✓	✓	✓
Modeling & Simulation	✓	✓		
Nuclear Physics	✓	✓		
Transportation	✓	✓	✓	
Unmanned Systems			✓	✓

Moving Forward with CCF

- Planning $10m per year in GF-funded grant commitments (up from $3m +/-)
- Planning additional $5-8m per year (for 3-5 years) in bond-funded grants for lab and equipment (higher ed only)
- Transitioning to “rolling submissions”
- Eligibility will be limited to industries in the Virginia Innovation Index (VII), once launched in 2022
- 1:1 match required for a grant types
- SMEs will continue to be important contributors to due diligence
- Single tier for grants to private sector startups: Up to $75k
- Tiered structure for grants in support of commercialization projects in higher ed & state/federal research labs:
  - **Tier 1 (Up to $75k)**: “Proof of Concept Grant”. Support early technology validation and exploration of commercial potential, including in-depth customer discovery; invention disclosure(s) or TTO support required; 2-3 key milestones during PoP. TRL 2-4.
  - **Tier 2 (Up to $150k)**: “Commercialization Grant”. Support development of working prototypes that align with market and/or customer needs. Lean startup training required before or during PoP, including in-depth customer discovery, business model validation & team development; provisional patent(s) or TTO support required. 2-3 key milestones during PoP. TRL 4-6.
  - **Tier 3 (Up to $300k)**: “Advanced Commercialization Grant”. *By invitation only after successful performance on a Tier 2 grant.* Limited to “difficult” technology development projects that are on a high-potential commercial path (license or spinout). Significant customer/licensee traction expected; Filed utility patent(s) or TTO support required. 2-3 key milestones during PoP. TRL 5-7.

Moving Forward with CCF (cont.)

- Eminent Researcher Recruitment: “ERR Grant”:
  - Continues successful legacy CRCF program
  - Up to $250k per public university per year
  - 1:1 match required
- Entrepreneurs-in-Residence: “EIR Grant”:
  - Pairs university-affiliated commercialization-focused researchers with proven & professional commercial mentors and co-founders
  - Up to $250k per public university per year
  - 1:1 match required
- Lab & Equipment Grants
  - Bond-funded; no repayment required
  - Up to $1.0m per public university per year
  - 1:1 match required
  - $25m+ in bonding authority originally created for VRIF (mostly unused); transferred in 2020 from SCHEV to CIT

QUESTIONS & DISCUSSION