



Erie County Gaming Revenue Authority

Minutes of the Board of Directors' Meeting

May 17, 2018

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on May 17, 2018 in the Jordan Room; 5240 Knowledge Parkway; Erie, PA 16510. Legal Notice of the meeting was given through an advertisement appearing in the Erie Times-News. The meeting was called to order by the Chair.

ROLL CALL

Mr. Barney (via phone), Mr. Bagnoni, Mr. DiPaolo, Mr. Lee, Mr. Logue, Mr. Paris, Mr. Peters (via phone), Ms. Presta, Mr. Sample, and Ms. Wyrosdick. Mr. Wachter, and Mr. Wood are also present.

Both Ms. Presta and Ms. Wyrosdick are present as members of the general public for this meeting.

APPROVAL OF THE AGENDA

Mr. Paris makes a motion to approve the agenda. Mr. DiPaolo seconds the motion. Motion carries 7-0.

APPROVAL OF MINUTES – April 2018

Mr. Barney makes a motion to approve the minutes as presented. Mr. Paris seconds the motion. Motion carries 7-0.

Mr. Wachter: Mr. Sample, if I may. I realized last night that at the March 22, 2018 meeting of the Board of Directors Mr. Logue had abstained from two different votes with respect to Resolution Number 7, which was the funding of the Erie School District, due to his representation of the Erie School District as Special Counsel. I informed Mr. Logue that I would submit a Conflict of Interest Disclosure Memo to be included in the minutes. I neglected to do so. I have the memo here; Mr. Logue has signed it and I would ask for a motion to amend the March 22, 2018 minutes by adding the Conflict of Interest Disclosure Memo to it.

Mr. Paris makes a motion to amend the minutes to include such. Mr. Bagnoni seconds the motion. Motion carries 7-0.

Mr. Wachter: I am handing that memo now to the Secretary.

NEW BUSINESS

- a. Resolution Number 12, 2018 – Resolution to amend the Articles of Incorporation of the Erie County Gaming Revenue Authority.

Mr. Wood: I will turn it over to Attorney Wachter to explain the resolution to the process.

Mr. Wachter: As we had discussed at the last meeting, it came to everyone's attention that the Gaming Authority is required to take steps in order to authorize the increase of the number of Board Members. Those steps include the adoption of a resolution approving Articles of Amendment to the Articles of Incorporation. Once that resolution is approved, it is then submitted to County Council; County Council would then approve a resolution authorizing the amendment to the Articles and then at that point we would advertise in the Erie County Legal Journal and the Erie Times indicating that we would be filing these Articles of Amendment with the Department of State. Following that, the amendments would be effective and we would have those two extra seats on our Board.

What you're looking at today before you is a resolution authorizing the request for the Articles of Amendment. There is going to be two amendments that are made; the first of which is updating the registered address of the Authority to 5340 Fryling Road, Suite 201 Erie, Pennsylvania 16510; the second amendment is to increase the number of Board members through replacing paragraph six of the existing Articles of Incorporation to read as follows:

"From and after the date of the filing of this amendment with the Secretary of the Commonwealth, the Board of the Authority shall consist of nine (9) members, one resident from each of the seven Erie County Council Districts and two at large members who shall be appointed by the County Executive with the advice and consent of County Council. Each term shall be for a period of five years from the date of expiration of the prior term."

The first portion of that is directly from the resolution that was approved by County Council previously and the language has been submitted to County Solicitor Talarico, who I believe has reviewed it with his client. With that said, I believe everything is in order and if there are any questions, I would be happy to answer them.

We have lined it up with County Council, I believe, that this should be resolved and taken care of such that we would have our two seats officially filled by the June meeting. This is also the same process that is being used for the Erie County General Authority and the Erie County Industrial Development Authority who had extra seats put on their Board the same time as the Gaming Authority did and we have aligned not only the process but the language of the amended Articles with their Solicitor to make sure there is consistency in process and language.

Mr. Sample: Is there any need to read through it?

Mr. Wachter: I have given you all the selling points of the matter and I don't believe we need to read it in further detail unless anybody on the Board would like that. And it is on the SharePoint site.

Mr. Bagnoni makes a motion to approve Resolution Number 12. Mr. Paris seconds the motion. Motion carries 7-0.

Mr. Wachter: I would ask Mr. Wood that at such point that you have your official copies signed, if you could scan and email them to me so I can get that to Erie County Council as quickly as possible.

Mr. Wood: It will be done today.

Mr. Wachter: Thank you.

- b. Resolution Number 13, 2018 – Resolution to enter into agreements with the Erie County Renaissance Block Program recipients.

Mr. Paris makes a motion to approve Resolution Number 13. Mr. Barney seconds the motion. Motion carries 7-0.

DIRECTORS COMMENTS

There are no comments at this time.

COMMENTS BY THE CHAIR

Mr. Sample: We made it another month; that's about it.

PUBLIC COMMENT

No public comment.

COMMITTEE REPORTS

- a. Treasurer's Report – Mr. Peters: Good morning everyone. You all should have in front of you the reports which include the April Profit & Loss, April Balance Sheet, Statement of Cash Flows, Budget vs. Actual, the Grant Reserve, and the Check Detail along with Visa statements.

Of course, we're just starting our year here so there's not a whole lot to report. I think we went over the budget in detail last month and have proceeded. If there are questions, I would be glad to entertain them. There is one other topic once we get through the actual monthly report, I would like to talk about our audit for a moment. Are there any questions on the financials as presented?

Mr. Barney makes a motion to approve the financials. Mr. Bagnoni seconds the motion. Motion carries 7-0.

Mr. Peters: I would like to take just a few minutes to fill you all in. MaherDuessel is working through the audit; I had a phone call – as the Treasurer – with them last week to go over a few items. Perry, were you planning to discuss this during your report or do you just want to hit a few highlights?

Mr. Wood: Why don't you talk about the highlights you had with Jeff Kent and I'll talk about process.

Mr. Peters: A couple of the things that Jeff wanted to address; you'll all remember that last year – well some of the new members may not recall this – but last year we were aware of the Enterprise Development Fund having their financial trouble. We had gone ahead and created, in essence, an allowance or a reserve for the potentially bad debt if they weren't able to pay us back. We did, in essence, reserve for that on the financial statements. We did not realize any loss because as you remember a few months after that, we went forward and renegotiated the terms of their debt and they continue to pay current on the interest. However, we did make that allowance so that will continue to show up.

One of the things that was discussed with Jeff is whether or not we wanted to make a practice of reserving for bad debt as part of our standard operating procedure. I suggested that that was more of a ... you do that in the event that you suspect that people that owe you money aren't going to be able to pay it back. We now have roughly \$400,000 that was booked that way. I have no belief, nor does Perry believe, nor does any of the other staff, that we have any additional potentially bad debt.

So, my recommendation, and the auditor agreed, is that we don't reserve for any additional amount. That is kind of the primary point that he and I discussed.

The other thing that came up was more related to Notes within the audit that occasionally will carry; for example, for the last couple of years we talked about how the Enterprise Development Fund could potentially be at risk. We will be removing that footnote from the budget because now we restructured the debt and they're going through whatever reorganization they have gone through.

It was a productive call; certainly, if you have any questions feel free to ask me or Perry or I can arrange a call for anyone who wants to talk to Jeff Kent, he's the principal that oversees our accounts. I did also share with him that we are very interested in moving to a quarterly look at our financials and that the Board had taken action to check in with a few other providers just to confirm that we are getting a fair deal on that so he's aware that we're going through that process.

Are there any questions? Perry, was there anything I forgot to mention?

Mr. Wood: I would just add that the quarterly financials; we have received some quotes from local accounting firms, however we are still waiting on at least one, and then we'll bring those options to the Board for recommendation at the June Board meeting, as soon as we get all three quotes.

Mr. Peters: Thank you. That's all I had.

Mr. Wood: As far as process goes just to remind the Board and even for the new Board Members, MaherDuessel is our auditor. We have a multi-year contract with MaherDuessel; they come in once a year for about a week, two auditors sit in our office for about a week, we prepare a significant amount of information for them to review - although we're a small organization – and then they proceed to ask additional follow-up questions based upon the information that we have provided. Out of that process comes some type of draft report – a draft audit. As soon as that draft audit is complete, I'll make sure that I email that out to each and every one of you to try and give you as much time as possible to ask questions about it.

I would encourage you to ask the staff questions about it, or if you want, to ask the auditors directly any questions you may have about what is in there. However, they will be

here to present at the July Board meeting. That is the optimal time to go over the draft copy of the audit with them. If you as a Board do not see any problems with the draft audit, we'll move to pass it in the form of a formal resolution. At that time, the audit then goes into record at ECGRA, it goes into record with the County Controller, the County Clerk's office, and the County Executive.

Any questions about the audit process? Thank you.

- a. Regional Assets Committee: Mr. Wood: There is nothing to report.
- b. Strategic Planning Committee: Mr. Paris: There is nothing to report.
- c. Update from County Council: Dr. Foust is not present.
- d. Update from County Executive's Office: Mr. Lee: Thank you Mr. Chairman. I will just briefly go over some of the highlights for the Summer Jobs & More Program. The recruiting, as far as orientation, was completed last Wednesday, May 9th. We're going to have approximately 175 students total; we're looking at about 50 organizations participating with the program. The program is slated to start the last week of June and run to the middle of August.

We're excited this year because we have added an interviewing component where we will be interviewing the students to make it more real-life as far as what you can expect; as far as obtaining a job.

I'll briefly hit some of the highlights on this, but we had a call with the Department of Labor & Industry that was arranged by the Ridge Policy Group on Monday. That was a very valuable conversation; we have an opportunity to leverage the funds from the program, not this year but next year, potentially. We will be working with the Work Investment Board to facilitate that; there is up to \$460,000 additional that we can receive for the northwest part of Pennsylvania. That is something that we are very excited about and we will be working very closely on this fall.

Are there any questions? Thank you, Mr. Chairman.

Mr. Sample: Did you say up to \$400,000?

Mr. Lee: Correct. \$460,000.

Mr. Sample: That would be great. I think, hopefully, the response in the County is going to be able to be stronger this year. I know that they have been working strong in Corry and Union City and I know they had meetings out in Fairview; that would be great. We had this conversation earlier that it's extremely difficult to get employees right now; there's this assumption out there by the kids that they just can't come out and get a job and there are a lot of jobs that they can handle.

Thank you for that.

PRESENTATIONS

- a. Ignite Erie – Penn State Behrend

Ms. Bridger: Thank you so much for the time today. My name is Amy Bridger, I'm the Senior Director of Corporate Strategy at Penn State Behrend and you are sitting in Knowledge Park so we're always thrilled to have some folks here as well. I brought with me Jake Marsh and we're

here to talk about the Ignite Erie: Industry & University Collaborative grant that was invested and made by ECGRA. We come about once a year to update some folks so we're always glad to come back and tell you some of the great things that you are funding investment has made.

What we're going to do today is just take a step back to explain for some of the folks who haven't seen these presentations before what the grant was, what the purpose was, what we're trying to accomplish, and then we'll talk about some of the things that are happening since the beginning in some of our case studies and then we'll end with a request for a grant extension and then also what we're planning to do with the funds that remain in the program.

Originally this light bulb is something we had passed around and developed; we were trying to create an entrepreneurial ecosystem and support it from a university perspective. We were working with student teams, entrepreneurs, high schools and trying to get all of the different stakeholders together to make an impact on the entrepreneurial culture. We wanted to generate new businesses, we wanted to create new innovations, and we wanted to create more of a leverage-system for the universities to work in so that we could be a part of the entrepreneurial culture and help people navigate our system. Sometimes folks see a university as something that is hard to navigate, so we want to navigate that for them. I think we've made some really great strides in that area and there are some that you may have heard about.

We actually ended up with a \$750,000 investment from the Erie County Gaming Revenue Authority; it started in 2015. It was to be distributed over three different installments and our stakeholders in this award were the universities, industry, economic development folks, and any other local industry service providers for innovation. The grant was originally on our Board that we have for this fund is all four universities (Penn State Behrend, Gannon, Edinboro, Mercyhurst – all of them have seats on the Board) as well as Lord Corporation, Erie Insurance, and some other folks sit on this Board that have some industry involvement as well.

Some ground rules that everybody adheres to on this grant is that cash-match is king and queen in this dance. We do have a large amount of cash-match invested from the universities as well as from some of our external industry partnerships. Every project has to have two or more universities that collaborate; this is an important one because it's really easy to say, "I know all my students and I know all my faculty and I'm going to do my project in my university." But the thing to remember is to create that more leveraged infrastructure; so, every project has to have more than one university collaborating. We evaluate different projects that come to us based upon their ability to create, whether it be business, product, economic factor, collaborate and catalyze.

I'm going to talk about some of the programs we started out with, but one of the great things about this funding and working with Dr. Wood is that we knew we were throwing a lot of great ideas up against the wall. Some were going to surprise us and be home runs that we didn't expect and some of the ones we thought were going to be home runs probably weren't as successful as we had hoped; this funding allowed us to be agile and shift different things to the parts that were making the biggest impact. The flexibility of this funding has been great.

Some of our hallmarks as we started out were the QuickStarter Program, which is actually a Mercyhurst-driven program. Dr. Chris Wheaton, you might have seen this in the paper, he does do a lot of good advertising on this, but he has methodology where people that go through crowd-source funding like Kick Starter or Indie Go Go, he was trying to make them more successful. His methodology really beat the national average; in fact, it trounced it. The national average is about 36% success rate on those crowd-source funding platforms. The innovators and entrepreneurs that he worked with, they're recording a 93% success rate. For Erie, Pennsylvania that is outstanding. He also is recognized as one of 30 expert consultants worldwide by Kick Starter; that's pretty amazing. The QuickStarter Program has really been a home run for Erie as well as the community of innovators.

The funding that had been provided to Mercyhurst for this first piece of it, they had completed 19 qualified campaigns, 93% success rate, they had raised \$85,000 – which if you consider the \$50,000 first installment - that's a 171% return on your investment. They have wanted to transition this to its own stand-alone entity so in the last year they have been transitioning it to the Erie Management Group to an LLC called the Erie Fund, LLC which is a 501(c)3 run by Rebecca Styn. Since that transition of working with the Erie Management Group and the Erie Fund, they have actually completed 27 campaigns. We're happy to see that this has gone to the next level and that they are investing the time and energy into this program. It can really be an impactful program.

This is a really cool story. In our original application, we knew that we wanted to have something called Innovation Beehives which were different sites around Erie County to support innovation and product development. We knew at Behrend that our first site would be our pilot site on our campus to do rapid prototyping so we created a rapid prototyping center there called Innovation Commons. What is really nice about is that we didn't know where our other sites were going to go or what they were going to do. We wanted to get the pilot site up and running, understand better how our impact could work, and then develop it from there. As we worked through the Board meetings, the different report-outs and worked with some of the other universities, it became clear that the vision really was that the other sites should be at the other universities and so we created the Beehive Network.

But this initial pilot site actually has an ideation space which you can see on the left-hand side and a series of 3-D printers. In the first implementation of this we also did a high school 3-D printer giveaway where we awarded 3-D printers to all of the different high schools in the Erie community and Gannon and Behrend provide technical support to those schools. Talk about catalyzing change.

If you look at the bottom at the series of rectangles, Fairview took this program as an indicator an endorsement of what they already had known and this space; they took the one printer that we had invested in them and bought six more, created an entire room just for their own maker spaces, and created an entire curriculum around 3-D printing and additive manufacturing. It was all due to us saying, "Would you like to have a printer? Here are your options. Which one fits you best?"

Jake was just there yesterday to see some of the inventions that have come out of that that they do, is it yearly? Or by semester?

Mr. Marsh: I wasn't at Harborcreek, I was at Fairview but both schools have very strong programs. The high schools in particular have taken this and run with it. One of the things that we decided to offer in addition to that was to go there and have our students lecture to their students or teach their teachers how to use these machines and be on-call tech support all the time. We'll be doing more of that this summer. Some of the schools are masters already and some of them needed a boost. But once we give them the boost they get excited about it and take over.

Ms. Bridger: In that Innovation Commons we even built a really large 8-foot scanner which was great because it complemented Gannon's 8-foot 3-D printer. So, we can scan eight feet, and they can print eight feet and it's fun to see that collaboration go back and forth. That has really allowed us to develop a lot more and deeper relationships with some of the other universities as well.

So, the Beehive Network, like I said, we had decided that some of the other nodes should be in the other universities. We also included Blasco Library's Idea Lab in there; they're doing some really nice stuff and they have the Maker Space down where they are. But getting in the Beehive Network, what we tried to do was take different pieces of the product development life cycle. Even though other universities can do rapid prototyping like we do and even though other universities

can do business development like Gannon and video marketing and branding like Edinboro and things like that, what we wanted to do is for this particular application just draw those nodes in the sand and then create what we call an Elevated Race-Wave Innovation. Regardless of what funding sources are out there, who's in leadership positions in the County or the City, we created a system where we can navigate the universities for the entrepreneurs. We know everyone at every site. We regularly talk, we have common file sharing, we have common metric sharing. So, now we have this Race-Wave where it doesn't matter where an entrepreneur wants to come in, we can get them through that product development life cycle. It's been extremely popular, not only from the entrepreneurial side but people are actually watching us and wanting to know what Erie, Pennsylvania is doing. We'll talk about that in just a bit.

This is what we have invested in; this is Beehive-specific. This is not all of the ECGRA funding; this is just Beehive specific. The initial cash investment for Behrend for our pilot site we originally came up with is \$50,000. ECGRA's funding is at about \$200,000 to support the entire Beehive Network. Then we have follow-on cash investment by Penn State Behrend for \$200,000. With Mercyhurst, Behrend, and Edinboro we were then able to apply for additional funding through the Appalachian Regional Commission which funds a lot of the equipment. They saw the value and gave us \$200,000. Gannon actually applied for an Economic Development and Administration grant of \$1 million and that was awarded in the winter time. That was pretty amazing. So, the Beehives alone are seeing a \$7.25 return on every dollar that ECGRA has spent.

The project as a whole, we talk about match which is very specific, and in leveraged dollars but this is one of the major wins for Erie County and ECGRA has played a really strong role in that so, we appreciate the investment. We are also looking for additional funding this year.

Just to give you some case studies of cool things that have happened. I think I presented this one at the last meeting but it is Lace 'N Lock; this was a student who is an Erie business man who came to us with an idea for a shoe lace tightener. His wife had a hip surgery and she was not able to bend to tie her shoes and quite honestly, he was tired of doing it for her. So, he created something like a cane with this little clip-on part and you can tighten and loosen your shoes. What's really cool about that is a team of Behrend students actually worked on that prototype through the Innovation Commons and our Senior Capstone Project, and then one of those students continued to work on it through the Innovation Commons (which is our Beehive site) to complete the design. They entered into negotiations with Port Erie Plastics and now a patent has been awarded by the US Patent Trademark office.

That student is listed as an inventor, as well as the other two students who worked on the project. That's pretty amazing to graduate with your bachelor's degree with a patent. You're going to see that we have six of them so far out of just the Innovation Commons.

This is another really cool one; Fast Framer. He came to us with an idea for putting together a frame for 2x4's. He came to us and wanted us to work on a design, but it was too complex. Our students actually redesigned it and did interim design with this gentleman and it's actually on the shelves in Erie right now at Ace, True Value, and Frontier. Our students are also listed on this patent. Eventually there will be four patents; two design and two utility with an angle frame and then the straight frame. It's pretty awesome to think that undergraduate students were critical in getting that one to market. These are the types of things that when we originally envisioned what this award could do, this is one of the items.

The Groove Tee, Evan Rumba is another innovator, he invented a golf tee shaped club scrubber. You'll see that your brush is actually on the bottom of this and it can grind away at the golf club where normally I guess people take their golf tees and pick out the mud and things like that.

Mr. Wood: Any chance we can get a prototype for Mr. DiPaolo?

Ms. Bridger: The patent has been submitted and students are listed as inventors on this one as well. We have a local manufacturer but it is not out quite yet. This one was a very simple design.

Mr. Sample: He would be happy to test is for you.

Mr. DiPaolo: Absolutely.

Ms. Bridger: There are a couple of things we fund like that. The Mobile Barrier by Grizzly Innovations. This was a rough prototype that showed up at our Innovation Commons that was in PVC pipe and what it is is a barricade for traffic for law enforcement. These pods that you see pictured are relatively easy to move and you can put two, four, or eight of them in the back of the trunk and if you need to, you can barricade off the road instead of waiting. Right now, that is what happens is you wait for someone to bring a barricade to you. You can pop these out, and they go together much like tent poles and you can put it together. They light up with LED lights so it creates a really great law enforcement barricade. They came to the Innovation Commons to get that developed and our students worked with them quite a bit.

We cover all sorts of disciplines. Some of these folks come to us with an idea in their head, some come with it scratched out on a piece of paper or a napkin, and some of them come with a working prototype that we refine. One of the great things about our pilot site is we were up and running 18 months even before the Innovation Beehive Network came to be. What's really cool now is that we're starting to see that collaboration between the Beehive sites. In the last six months the other sites have come up and running.

Mr. Wachter: If I could just interrupt and have it noted in the minutes that Mr. Barney and Mr. Peters did leave the meeting. They were participating electronically and they left during the presentation. Thank you.

Ms. Bridger: This one is a great one – One Leg Up, Lake Erie Rubber. This is a rubber-manufacturing job shop that wants to enter product development with really durable, high quality, floating dog toys. The project was the interim design piece and then we developed the prototype and then Edinboro actually provided the brand development and package design. They are also working with them on social media.

We're starting to see those collaborative pieces where now that those other sites are getting up and running because of the funding that came in in December and January, we're starting to see those collaborative pieces that we really wanted to see.

Like I said, our site had about an 18-month jump start on everybody else, but these are some of the numbers we have just out of the Innovation Commons. This is so you understand the power of the investment - 97 total projects, 29 product development projects, almost \$1.5 million in leveraged funds, 65 entrepreneurs served, 6 patent applications, 3 companies started, over 220 students engaged, 130 youth engaged, and 11 public events.

The other cool piece of this is that people want to know what we are doing; not only from the Innovation Beehive, but ECGRA in general and the Industry + University Collaborative. We're getting calls from people who want to know how we're doing it, what we're doing, what the pitfalls are, how they can learn from it, where they are in the scheme of things. We have met as a group with Marshall University, Dixie State University came to visit us, Liberty University is coming up in June and we've had several calls with them, Westminster College, and LECOM also wanted to do

a rapid prototyping lab. We do consulting work like, “Let us tell you what our experience is. Why don’t you learn from what we’ve done and then we’ll help you get started.”

This model of four universities (two private, one public, and one quasi-public) of working together is relatively unheard of, at this level. So, it’s catching some interest not only from a funding perspective but also other universities that want to work with us, which is really cool for Erie as well.

Here are some metrics of the overall ECGRA funding; I didn’t put every single one of them in because I already feel like I’m running short on time. We are a few years into this and our metrics are looking pretty solid; number of product development, technology disclosures, businesses started, cash match (the things that we would provide actual receipts for, not the leveraged dollars which is a larger amount, but the ones that we can actually provide every receipt for) we’re at \$576,000, QuickStarter’s success is running way above where it needs to be, number of new university collaborations, and university/industry collaborations as well are doing very, very well.

I think we’ve been really good stewards of this money, we’ve been trying to make as much impact as we can, and I think we have proven that we can leverage your investment and turn it into actual external dollars coming into Erie. We would like to request a two-year extension of the award until February 28, 2020. Some of the things that we have planned to extend – the coordination takes some effort in terms of meetings but also in creating those processes between all four universities, the systems going through documentation, legal, all of those things. Legal support for innovators – we think we can do more with this. We have had this fund for a while but we’d like to put more dollars in. We’re seeing far more patent pieces than we had anticipated, which is real great but we think that we can do more with that.

QuickStarter, we’d like to add as a transition to Erie Fund and continue to support them in what they’re trying to do, and then the Beehive sites, of course. Some of the sites are just getting up and running now and they need student support, need people support. ARC was really gracious in supporting some of the equipment but we still need to support those students so it’s free for the community to use those sites.

I did want to talk about the Behrend site for a little bit because we already have a lot of that covered. We’re always trying to figure out what’s that next generation and how we can give back to the community a little bit more. We have been working on talking to existing industry folks and manufacturers to find out what they need and what those needs are. One of those areas is additive manufacturing of our 3-D printing rapid prototyping site. We did a survey last year and one of the questions that they asked was, “Do you use additive manufacturing?” The response was 38% said yes and 61% said no. The next question was, “Do you work with 3-D modeling and CAD?” 69% said yes, they worked with 3-D models but only 38% said they actually used rapid prototyping and additive manufacturing in 3-D printing. There is a huge opportunity there for manufacturers to understand better how this can apply – our rapid prototyping center – to their existing manufacturing facilities in terms of concept drawings, prototypes, those types of things.

What we would like to do within the next year is develop some courses that we can then offer to existing industries where our students at the Innovation Commons and faculty can teach those manufacturers how to use additive manufacturing in the real world. We think we have a really good jump start on that. The other piece that comes in is a micro-internet of things but what do we do with sensors so that people can track these machines, whether its 3-D printers, whether it’s another piece of equipment. The same type of application there in other things is a huge topic right now; a lot of people don’t know how they can apply it. These are some of the things that our students at the Innovation Commons will be handling.

Any questions?

Mr. Lee: Thank you, Amy, for the presentation. It was very helpful. In reference to the QuickStarter Program, you say that there's a 93% success rate compared to nationally a 36% rate. Did they provide any feedback on how you've been able to be so successful as far as 93%?

Ms. Bridger: Absolutely. I wish he was here because he could tell the story far better than I can, but essentially, it's all about preparing. A lot of people that go on QuickStarter say, "I have this idea. I'm going to promote this pen." And then they put this pen on and it fails miserably. What he does is he spends some time doing research to say, "What have other pens brought? What is the appropriate fundraising goal? Let's get some buzz and chatter going before that even launches." So, before he even launches he knows that he has a certain level of buzz and chatter going before the launch even happens. I'm making this all very simple.

Mr. Lee: The second question I have is, Gannon University received, as you were saying from the Economic Development Administration, \$1million. Do you have any insight as to how they are utilizing that \$1 million?

Ms. Bridger: Every university got \$250,000 of that. So, it was split four ways.

Mr. Lee: Can you then give an example of how Penn State Behrend is utilizing that \$250,000 that they received?

Ms. Bridger: Yes. A lot of that is going toward staff support – students. We are at our capacity with students; we need more. We do buy 3-D printers, we have laser cutters, we have equipment with those funds, we have a graduate Masters in Manufacturing student that will be taking over the day-to-day aspect of that Innovation Commons to free Jake up to do some other stuff that I need him to focus on. It's really about community spirit; it's for all of those sites. We're funding those students so it's free for the community to come in and use those opportunities is critical. We're trying to reduce as many of those barriers as we can. So, the student support and the equipment they need.

Mr. Lee: Great. This will be my last question. Typically, how long does it take or how long does a student and the group work on these various projects, like the Lace 'N Lock and the One Leg Up? Typically, how long do they work on these particular projects?

Ms. Bridger: It really varies.

Mr. Marsh: May I? The very shortest project that we had come in the gentleman came in to do a meeting and six hours later we handed him a prototype; six hours of the same day. The longest one took many months. It's all a matter of, we use a sort of agile project management for these projects so we sprint and then meetings, and then sprint and then meetings with clients. In some cases, they need very little help because their product is simple; in some cases, they need a great deal of help and we need to go through many iterations to get them to a point where they can either hire a professional to take it toward manufacturing or we've reached the capacity of our knowledge. In this case, we went from his idea being explained to us all the way to a product that he could have stamped out of metal at a manufacturer.

In other cases, we'll get to a point where we've got great models but he's going to be buying the mold that's going to cost him \$30,000. Maybe he should pay a couple thousand to a private company to make sure it's absolutely perfect. We make it clear at the beginning that what we're providing is a major barrier-beater. We tell them that we'll get them through as many of the bumps

that you run into along the way as possible, but we're not interested in competing with private industry. We make it clear to them at the front that we will go as far as we can, as fast as we can, but at some point, it's going to be time for them to get out there and engage at a higher level.

Mr. Lee: Okay, great. Thank you.

Mr. Wood: If I can just drive home one point that Mr. Lee asked about, the Gannon University grant. Gannon University received a \$1 million grant in collaboration with the other three schools and split it up equally. That is an amazing thing, right? That shows this kind of amazing culture of collaboration. It's not that the universities have never collaborated; they collaborate one-off projects here and there and they work together on stuff. But this is a sustained, on-going effort to collaborate, not in competition with one another. It's really in cooperation in a way that we have never seen before. I just wanted to drive that point home.

Ms. Wyrosdick: The only other comment I would make is I highly encourage you to work very closely with Marshall University because they are a fine outstanding institution and I think that any assistance you can give Marshall would be greatly appreciated by someone who graduated from there.

Ms. Bridger: The Robert C. Byrd Institute, we had a call with them; they haven't reached back out to us but they are doing some interesting things out there.

Mr. Logue: Dixie State is out in Utah – how did they hear about all this?

Mr. Marsh: That was really due to grapevine, honestly. I didn't get all of the pieces of it but they were so interested that they flew all the way to Cleveland, drove to Erie, to see us for quite a short meeting. In fact, I filled his day. When he came here I introduced him to what we were doing at our site and at Behrend and then took him to Gannon to see that piece and then to the Erie County Library to see the Idea Lab so he got a flavor of what the universities were doing and what the County was doing, the library system, and how we worked together on that sort of thing. We also stressed and explained to him what the other universities are doing, talked about lessons learned, a lot of the best practices that we have established. And he gave me some socks, so it was a win-win.

Ms. Presta: Thank you very much.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Wood: I'll be brief; there are four things I wanted to cover briefly. Number one, since our last meeting we did receive Renaissance Block applications. We received 11 of them, we met as a committee last week and recommended that 7 of the 11 be funded to the tune of \$323,500 which was approved on the agenda here today. What's interesting is that there is clearly a need for this kind of funding. In discussion with these groups as well as the overwhelming number of applications, it's clear that this is filling a financing gap – that's what we keep hearing – because of the flexibility of the funds. Typically, HUD funds would go to something like this and then there would be income and geographic restrictions. We do not have those same restrictions on our Renaissance Program; that's one of the reasons it succeeded in the City of Jamestown as well. So, everyone from the Board was invited to attend; it was Mr. Paris, Mr. Barney, Mr. Lee, and Ms. Wyrosdick who attended with the staff. We talked through and as a result, you have Resolution number 13 on the agenda here today.

The second item I wanted to cover was the audit, although I think we answered most of the questions about the audit. I just want to remind you that we will be getting a draft copy out to you as soon as possible for any feedback that you have. I want to encourage you to either reach out to the Treasurer, the staff, or directly to MaherDuessel if you have any questions about what you're seeing in the financial audit.

The third is that we have convened five task forces with Ridge Policy Group; Ridge Policy came to town on April 26 and 27. The five task forces are:

1. Entrepreneurship and Innovation; the Ignite Erie folks were involved in that
2. Neighborhood Revitalization; the same type of group that the Renaissance Block focuses on
3. Summer Jobs and Youth Skills Development Team; Mr. Lee was a part of that meeting as well as GECAC
4. Transportation and Brownfields
5. Blue Zones

We convened, we introduced Ridge Policy to all the players, we had active dialogue back and forth about funds that were available. Ridge Policy Group was able to assist the Millcreek Township School District Foundation this week in receiving about \$40,000 worth of Earned Income Tax credits through DCED, which I think was a great start.

These other five task forces are working diligently with them on funds that are available. Mr. Lee mentioned that through this task force process, we identified a fairly new revenue stream called Summer Internship Funding which we're going to be applying for in January. That's very exciting and we were encouraged by the folks at Labor & Industry to go after.

That being said, budgets change all the time and things could shift but that is a solid prospect. I think that is going to be worth anywhere from \$80,000 - \$100,000 right there for Summer Jobs. So, a lot of good leads, a lot of good prospects.

Finally, I'll summarize with Ignite Erie asking for an extension on their grant; I just wanted to put that into context and see if the Board has any questions. This program is now in its third year of existence. It was slated to last three to four years because it's really in a pilot phase right now, however, the patience of the Ignite Erie Board, the complexity of having so many community partners coming to the table to communicate, they have been very patient with how they have expended our grant dollars. They have also leveraged it, as you can see, to the tune of almost 4:1 in order to bring other funds in. That has slowed their burn-rate on our grant and therefore they had asked me for a two-year extension; the staff has the ability to give a one-year extension to 2019, but they are asking for an extension to 2020. The staff reviewed this and we do recommend that you give them the extension to 2020. That gives us more time to evaluate what is going on there as well.

What I can tell you from a mid-term perspective, about halfway through the grant that we have evaluated so far, we find Ignite Erie to be extremely successful. It has served dozens of entrepreneurs, it's two core programs are QuickStarter which is a take on the term Kick Starter which is an online crowdfunding concept and as you heard from Amy, there is a unique methodology that is heavily research-driven, unique as a concept that the university can get on board with in which students interact with entrepreneurs to make sure that their crowdfunding attempts are successful. A 93% success rate versus a 36% average success rate. It's unheard of. Kick Starter themselves, the national organization, has recognized QuickStarter for that.

The second core activity is Innovation Commons which is right here on the campus of Penn State. The idea with the Innovation Commons is it is also a pilot concept and it is being exported to the other universities as we speak in what's known as the Beehive model. These "innovation spaces" on each campus create permeability. In other words, I'm an entrepreneur, I don't know how to interact with the University, this is my space in which I can interact with the University, and then the University can interact with industry in the co-creation of knowledge. This is a really unique thing and a very important thing in global competitive advantage. What you're seeing here is four universities along with partners from industry and economic development agencies come together to create an agenda for regional economic development – not THE agenda but A agenda – that's part of assisting regional economic development like we've never seen before. And they're doing it in collaboration with one another.

I'll leave it there. We do recommend that under Old Business that the Board consider extending the Ignite Erie contract to 2020. I'll take any questions.

Ms. Presta: Perry, I have one with regard to Ridge Policy Group. Meetings with the various stakeholders, which I was unable to attend but I understand were very positive and informative, is the expected or anticipated protocol hereafter that those stakeholders, that those interested in accessing the various sources of funding, will be able to directly communicate with and contact Ridge Policy Group and that Ridge Policy Group will not simply provide them with a link to the application but walk them through it? In essence, act as a lobbyist in helping them obtain those funds.

Mr. Wood: That's a great question. There is an agenda for the two-day meetings in the Executive Director's Report, there's also a list of everyone who attended those meetings. The expectation for process is that there will be regular follow-up phone calls once a grant is identified. There has been a least one identified in each of the five categories. Some of those phone calls have already taken place. I have been on half of them just to make sure that the ball is rolling. The idea is to initially give them feedback on what should be in a successful grant application and then to follow through the process through actual lobbying to the bureaucratic agency that is overseeing the program.

Ms. Presta: And then to repeat that cycle once that process with respect to that particular stakeholder is completed so that this is an ongoing initiative?

Mr. Wood: Ongoing initiative. A great example, and I think Mr. Lee can speak to this, is Youth Build. GECAC came to us and said and we weren't aware of this, they have been trying to get Youth Build funding for the last four or five years, unsuccessfully. So, this will be an interesting test case to see if having a lobbyist in this circumstance can help us break through this.

Ms. Presta: If it makes a difference. I'm quite certain the answer is going to be that it depends on the grant, the stakeholder and the political climate but what's the anticipated or projected timing for that process? So, now the contact has been made, the communications are being held on completing an application, that goes in; when can we expect to hear that they've been successful or unsuccessful?

Mr. Wood: One example is ARC funding – Appalachian Regional Commission – which looks at economic development funds. There is currently an application in there that they are lobbying for on our behalf that will bring funds to the Erie Innovation District and that decision could be made as soon as June or July.

Ms. Presta: Okay. You are of course well aware, as are all the members of the Board, that there have been a lot of questions about the value – for the price that we pay for Ridge Policy Group's involvement. It sounds like in the relatively near future we should have a better idea of whether they are of value, not just to ECGRA, but to those we serve in the County, other stakeholders. Is that fair?

Mr. Wood: I think it's fair to say that in the near future we could be able to do some type of cost-benefit analysis.

Ms. Presta: Very good. Thank you.

Mr. DiPaolo: Mr. Chairman, I was not able to attend. Do you have any paperwork that you would have had from the meeting?

Mr. Wood: From the Ridge Policy Group? Absolutely. It's in the Executive Director's Report for this month.

SOLICITOR'S REPORT

Mr. Wachter: I have said enough for today. Thank you.

OLD BUSINESS

- a. Extend Ignite Erie contract through 2020

Mr. Bagnoni makes a motion to extend the Ignite Erie contract. Mr. Paris seconds the motion.
Motion carries 5-0.

ANNOUNCEMENTS

Ms. Presta: Mr. Chair, I have no announcements but I was remiss in not amending my remarks to characterize them again as coming as a member of the general public interested in the activities of ECGRA and of course to confirm that none of the motions or votes that took place here today were participated in by Ms. Wyrosdick or myself.

ADJOURNMENT

Mr. Paris moves to adjourn. Mr. Bagnoni seconds the motion.