



## **Standards & Guidelines**

*Guidelines for the Qualification and Selection of Licensees for the Incubator Program at the University of Florida's Sid Martin Biotechnology Incubator.*

### **Introduction**

The transfer of university-developed technology to commercial enterprises, particularly homegrown start-up or development stage companies, requires an external commitment of resources, especially because such companies usually have difficulty raising risk capital at the earliest stages. The University of Florida has sought to identify commercially significant biotechnology discoveries developed by University faculty and to expedite their transfer into viable companies. The UF's Sid Martin Biotechnology Incubator ("Incubator Program") is designed to foster the development of new commercial ventures related to University of Florida technologies in agriculture, medicine and all disciplines of the molecular life sciences. The Incubator building, funded by the USDA and the State of Florida, is a 40,000 square foot structure which supplies early-stage companies with laboratories, offices, and conference and training space, as well as provisions for common use equipment and services.

### **Goal**

The overall goal of the Incubator Program is to provide space and infrastructure to expedite research and commercial development of promising biotechnologies in the context of viable, well managed start-up companies.

### **Objectives**

By bringing together a critical mass of university and private sector specialists, the Incubator Program becomes a magnet for scientific expertise, novel problem solving, and successful commercial ventures. The Incubator Program is particularly interested in supporting companies which have established research relationships with the University of Florida, or which have an interest in, and potential for, initiating such relationships. The Incubator Program provides benefits to the University, Gainesville, Alachua, and Florida.

#### **In the academic arena, the Incubator Program:**

- Encourages commercialization of faculty and student discoveries
- Increases technology transfer
- Stimulates collaborative research projects between local companies and University faculty
- Provides opportunities for student research and employment
- Contributes to the University of Florida's academic competitiveness in recruiting and retaining faculty

#### **In the economic area, the Incubator Program:**

- Encourages a return to public health from public investment in research
- Translates University research results into products that solve unmet needs
- Attracts new and existing companies to Gainesville and Florida
- Stimulates the formation of new, small, high technology businesses in the State
- Stimulates economic development and competitiveness in Gainesville, Alachua, and the State of Florida, through collaborations with regional and state entities committed to economic development (e.g. GAIN, CEO, Chambers of Commerce, Enterprise Florida, etc.)
- Furthers University and State purposes in connection with efforts to establish Florida as a center for biotechnology
- Provides a financial return to the State of Florida

## **Progress Corporate Park**

The University of Florida has a formal co-development agreement with the Park. The Sid Martin Biotechnology Incubator Program expects that companies that successfully graduate from the Incubator Program will find it attractive to locate in other areas of the Progress Corporate Park in order to maintain their collaborative arrangement.

## **Role of the Biotechnology Advisory Committee**

The Biotechnology Advisory Committee is a key element of the management of the Incubator Program. Its membership, drawn from around the Southeast, is made up of venture capitalists, industry executives, and service partners. It provides a framework for advice to incubator companies and Incubator management on the management and operation of the Incubator program. The overall mission of the Biotechnology Advisory Committee is to assist the Incubator Program in achieving its goals. In particular, the Committee:

- Advises the Incubator Program regarding incubator management policies and operations
- Screens applicant companies to determine whether they are suitable for becoming occupants of the Incubator building and participants in the Program
- Assists in publicizing and marketing the Incubator Program
- Assists Incubator Program and the University in obtaining the resources needed for the building and its companies

## **Admittance Criteria and Procedures**

### **Type and Stage of Company:**

The Incubator Program is intended for start-up or early stage companies that need to conduct research and development for new products or services in the molecular life sciences. A company is eligible so long as a significant part of its revenue comes from equity investments, debt, research grants, contract research, or other sources unrelated to the sale of products or services.

### **Relationship with the University of Florida:**

The companies must have established research relationships with the University of Florida or must have an interest in, and potential for, initiating such relationships. Moreover, those companies that intend to work with UF must establish these interactions soon after admittance to the program in order to be eligible for continuation of any renewal terms to the Incubator License Agreement after the first year.

In order to be considered as a participant in the Sid Martin Biotechnology Incubator Program the company must at a minimum show *one* of the following:

- The company has (or is negotiating) license of University technology with the University of Florida or the University of Florida Research Foundation
- The company has (or is negotiating) a research agreement with the University or the University of Florida Research Foundation
- The company has (or is negotiating) a license of technology owned or controlled by the University of Florida or the University of Florida Research Foundation

At the discretion of UFRF and the Program Director, the following situations will also provide a basis for a company's application to the Incubator Program:

- A company has received an STTR or SBIR, with the University of Florida or a University employee or faculty member integral to the work to be performed under the grant
- A member of the University faculty or an employee has a scientific consulting relationship with the company

- The company has given the University of Florida a royalty-free license to its proprietary technology

### **Application Review Process:**

Companies interested in locating in the Incubator building must complete an application for admittance, including a non-proprietary description of their R&D program goals and milestones and a description of their proposed business milestones, and submit a business plan, or agree to complete a business plan within three months of being approved.

Once the application has been reviewed by the Program Director or his designee and it is determined that the company meets the general criteria for admittance, an Executive Subcommittee drawn largely from the Biotechnology Advisory Committee, will be selected to evaluate the technical and commercial feasibility of the application. The composition of the Executive Subcommittee will depend on the particular field of technology and the projected markets of the company.

The emphasis of the technical review will be on the feasibility and scientific merit of the technology, whether it is innovative, the compatibility of the R&D program with the overall purpose of the Incubator Program, and whether there is good potential for a collaborative relationship with the University, and will include certain research milestones. The focus of the business plan review will be on the potential for commercialization, capability of the company's management, the status of its financing, and its financial ability to meet its obligations under the license agreement with the Incubator Program, and will include establishment of certain business milestones, and may result in recommended modifications to the company's plan. Incubator Program management may separate the technical and business plan reviews or may include experts from outside the membership of the Biotechnology Advisory Committee.

### **Space License Agreement:**

After satisfactory completion of the technical and business plan review, the Incubator Program and the company will negotiate an Incubator license agreement (ILA) for the company to obtain access to space, facilities, services, and equipment in the Incubator building. The license agreement will indicate the specific space that the company will occupy, the services that the Incubator Program will provide, and the other obligations of the parties. The current space license fee consists of cash payments (at an annual rate of \$26.00 per square foot per year of occupied space). Payments will be made to the Incubator Program's account at the University of Florida Research Foundation, Inc. Research contracts with the University of Florida or with the University of Florida Research Foundation, Inc., are encouraged if appropriate, and will be executed under separate agreements and guidelines of the respective entities.

### **Length of Stay and Graduation**

Companies admitted to the Incubator Program are given one year renewable terms up to a maximum of five years though this may be extended with the consent of the Incubator Program's management and the Biotechnology Advisory Committee. Cash payments for the space will increase with the length of stay. There is a required annual review of the status of the company's business and R&D goals and milestones, designed to assure that the company's activities continue to be appropriate for the Incubator program. All companies entering the program must understand that the Incubator License Agreement is renewable at the discretion of the Incubator management and UFRF, and that there is no guarantee of continued occupancy. Furthermore, certain terms and conditions may be in the Incubator License Agreement with a particular company that would limit the length of stay, or place specific performance criteria as conditions of continued occupancy.