

## MINUTES

### Whitewater University Technology Park

#### Board of Directors Meeting

Wednesday, March 30, 2016

Whitewater University Technology Park Innovation Center

1221 Innovation Drive, Whitewater, WI 53190

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**PRESENT:** Beverly Kopper, Jessica Bonjour, Kevin Brunner, John Chenoweth, Bud Gayhart, Mark Johnson, Richard Moyse, Nathaniel Parrish, Crystal Singer

**GUESTS:** Pat Cannon, Derek D'Auria, Tom Harrigan, Rob Malewicki, Pat Nadler, Doug Saubert, and Kristen Burton

1. **Call to Order:** With a quorum present, Kopper called the meeting to order at 8:01 am.

2. **Guest Speakers:** Pat Nadler and Rob Malewicki provided an update on Blackthorne Capital Management, LLC. Nadler noted that this summer will mark the end of Blackthorne's fifth year of occupancy of the Innovation Center and he provided some history of the company. Pat Monahan and Peter Layton started the company. Peter Layton was an executive with Goldman Sachs in electronic trading and had an interest in building a faster, better platform. Knowing Pat Monahan as a serial entrepreneur, Layton engaged him to build the improved trading platform. Blackthorne is divided into three divisions: Systems (staffed by UW-Whitewater graduates, and directed by Rob Malewicki), Analytics, and Capital. The company has a good relationship with UW-Whitewater, supporting 5 fellowships and hiring 34 UW-Whitewater interns over the course of its five-year residency. Discovering that the Computer Science department did not have as many trained students as they needed to analyze their data, Blackthorne started the Data Science Institute to train students over the summer. As they will not be holding the institute this summer, and do not have as many employees as previously, they wish to relinquish Suite 221.

Rob Malewicki discussed the Systems division of Blackthorne. They have made a very heavy investment in developing the platform. Though the system was designed for equities, it can be applied in several industries in which big data needs to be managed. Though the company could have been situated in Madison or Milwaukee, Layton chose to establish it here in Whitewater. They have assembled a fantastic group of software developers, but the challenge is to keep them here. The system acquires big market data, stores it, and manages live data. Futures data takes a great deal of manipulating to be workable; the developers used the last half of last year to figure out how to handle the data and they are now working with good data. Integration with the outside/broker systems also took some finessing, but they are now making trades with real money.

They want to expand the system to do modeling and analytical predictions for other industries. The platform can manage any type of time series data, not just financial. Potential applications include manufacturing, health care, social media, meteorology.

In response to Johnson's question as to who is the ultimate customer, Nadler indicated that ultimately Blackthorne would become a CTA and hedge funds would consult with the company. They will continue

to build the system for the financial markets, but also need to keep in mind other markets while building. Once they build the system, they will then find gurus in those other markets to determine how best to apply it. Bill Dougan is already thinking on other applications.

Chenoweth asked where the company is at from a business incubation standpoint. Nadler replied that they have a product and are making money; he would estimate they are 40% of the way there. Malewicki added that they are in a good spot to keep going. Johnson asked if the company would remain in Whitewater once it is a successful entity. Nadler said the System division would stay here and they envision it is a place where they will continue to grow. Johnson added that if the company grows to a certain size and expertise, he expects that others would be drawn here.

**3. Approval of Minutes of February 17, 2016 Meeting:** Brunner/Moyse moved to approve the February meeting minutes with the amendment that Jessica Bonjour was not present at the meeting. The motion was approved by a unanimous vote.

**4. Review/Acceptance of February 2016 Financial Reports:** Gayhart/Moyse moved to approve the February 2016 financial reports. Johnson reported that there are issues with rent collection but they are being managed. He invited Doug Saubert to address the establishment of a maintenance fund. Saubert noted that there is money to start a sinking fund for building repairs/improvements. At the end of 2015, there was \$20,000 in the Tech Park budget, and \$7800 is in trust, which means there is a little over \$12,000 in cash. The availability of these funds is all depending on this year's expenses, but Saubert estimates we can safely set aside \$6000 for the sinking fund. He just needs direction or a vote from the Board to establish it. If the money is needed for immediate expenses this year, he can move the funds back to the regular account. He advised budgeting some amount to go into that account when formulating next year's budget. Brunner recommended establishing a policy for a sinking fund. There was some discussion of using the money in the Drouillard fund, but Chenoweth advised leaving it in that account until it hits the intended goal of \$10,000. Chenoweth also indicated that the establishment of the fund should be a Tech Park Board agenda item and a designated, substantiated target amount should be presented. Gayhart suggested creating a list of assets and depreciation, and Cannon recommended budgeting for a contingency fund to deal with those expenses. Brunner reiterated that a policy should be established for the sinking fund and we should start funding it. Cannon agreed that part of the year-end balance should be designated to go into the fund. Saubert added that in 2021 or 2022, the \$92,500 will no longer need to be paid. There was a question as to whether the city portion will still need to be paid; the city percentage is now about 22%. This payment is in lieu of taxes, and is a good faith payment for the city's services. Johnson will provide a recommendation for the establishment of the sinking fund at the next Tech Park Board meeting. The motion to approve the February 2016 financial reports was approved by unanimous vote.

**5. Review/Acceptance of Director's Report:** Chenoweth/Gayhart moved to approve the Director's Report as written. Johnson incorporated more data-driven information in the Director's Report; it contains information on client companies, revenue forecasts, space utilization, and available space. He also distributed a map of the shovel-ready land available in the Tech Park (43.21 acres). Cannon commented that the Tech Park has a great deal of wetland space that is not buildable, and that DP Recycling will be occupying about 11 to 11.5 acres. Parrish inquired about the Tall Grass proposal. Last year, Tall Grass was paid \$4500 to do the full burn and reseeding of the prairie. The new proposal would be for three visits at \$750 each for maintaining the prairie including pulling invasive species. Although there is not a line item for this maintenance, as long as there are no contingency expenses, there are sufficient funds to cover it. Bonjour recommended asking the UW-Whitewater Biology Department if the students could pull the

invasive grasses. Cannon recommended asking the city's Parks Department to do the controlled burn. Johnson will talk to Biology Department and the Parks Department and return with recommendations at the next Tech Park Board meeting. The motion to approve the Director's Report was approved by a unanimous vote.

**6. Review and Adoption of Tech Park Board of Trustees:** Kopper indicated that details of the current board membership (including starting date and length of terms) will be brought back to the next meeting. Johnson noted that Stephanie Abbott's last name needs to be updated to Goettl. He also indicated that the bylaws indicate the Board's fiscal year runs January to January, so perhaps it would be effective to review the board membership each January. He will bring a proposal to the next Tech Park Board meeting.

#### **7. Tech Park Marketing:**

- A. **Marketing Letter Follow up:** Johnson reported that the first round of the tech park marketing letter distribution resulted in one very high quality client, Black Line Consulting. They are hiring students, talking with the CDA, looking at grants, talking with UW-Whitewater's Computer Science Department, and Jody Jankovsky's son is evaluating attendance at UW-Whitewater. A second round of letters was sent in late February, accompanied by the CDA's brochure. There have been no additional replies, but follow up calls are being made.
- B. **Joint Marketing Strategy:** Johnson indicated that it would be helpful to have a little more direction about what the marketing strategy for the Tech Park needs to look like. He proposed the formation of a small subcommittee to include himself and one member each from the university, the city, and the CDA. The bylaws allow for the formation of subcommittees. He will bring a proposal regarding the subcommittee to the next Tech Park Board meeting.

**8. Tech Park Development Update:** Cannon reported that DP Recycling is ready to move forward, and they have a date set for the groundbreaking. He has a meeting next Monday with WEDC for the certified site program. WEDC pre-certifies your site; site selectors want pre-certified sites because they know the land is ready for building and there won't be a lot of additional work. The CDA already had much of the data needed for pre-certification. The plan and site review for DP Recycling will go through the CDA due to a change in zoning to M1. Plan and site reviews for Tech Park land, however, will come before the Tech Park Board. Cannon reported that he has a signed offer from Steve Robb; he wants five acres on which to build a second building. Chenoweth expressed concern that the Tech Park Board would not expedite the review process because the members would have to get up to speed. Cannon offered to put together what the review process would entail, but the Board would then have to determine which members would be responsible for the process. Gayhart added that it would have to go on the agenda, and that would lengthen the process, and Chenoweth noted that the Board doesn't have the staff to review the site. Cannon responded that city staff would still do it. Brunner said that a one-pager that outlines the process would be helpful. Chris Munz could put something together and Johnson could disseminate it. The site review process and responsibility for it will be a future agenda item.

**9. Adjourn to Closed Session** per Wisconsin Statute §19.85(1)(e) "Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session."

Moyse/Gayhart moved to enter into closed session. Kopper called for a roll call vote to enter into closed session. Bonjour: Aye; Brunner: Aye; Chenoweth: Aye; Gayhart: Aye; Kopper: Aye; Moyse: Aye; Parrish: Aye; Singer: Aye. The motion passed unanimously, and the Board went into Closed Session. Items discussed:

- A. iButtonLink
  - i Request to lease Lab Suite 124
  - ii Request for 2 yr. Lease Extension
- B. Blackthorne
  - i Request early termination of lease Suite 221

Chenoweth/Brunner moved to return to open session with the intent/option to take action. The motion passed unanimously. The Board returned to open session with the intent/option to take action.

**Future Agenda Items:** Future agenda items include: establishment of a sinking fund for the Innovation Center, prairie maintenance, Tech Park Board membership, formation of Joint Marketing Strategy subcommittee, the site review process, and establishment of other subcommittees.

10. **Future Meeting Dates:** Spring dates are April 27<sup>th</sup>, May 25<sup>th</sup>, and June 22<sup>nd</sup>.

11. **Adjournment:** Gayhart/Singer moved to adjourn. The meeting was adjourned at 9:27 am.

Respectfully submitted,  
Kristen Burton for Cameron Clapper  
Secretary of the Whitewater University Technology Park Board