

Special Board Meeting
December 13, 2013

ROLL CALL

AUTHORIZE GRANT TO UI LABS TO PROMOTE RESEARCH AND DEVELOPMENT ACTIVITIES RELATED TO ADVANCED MANUFACTURING

Action: Authorize Grant to UI LABS to Promote Research and Development Activities Related to Advanced Manufacturing

Funding: Institutional Funds Operating Budget

In February 2013, Governor Pat Quinn announced plans to launch Illinois Manufacturing Lab (IML), designed to be an independent, not-for-profit entity designed as a public-private partnership whose mission is to enhance the competitiveness of Illinois manufacturers by providing a platform (tools, resources, training, expertise, etc.) to develop, model, prototype, and test new products and processes. The IML is envisioned to be a one-stop-shop and physical hub where applied research and development, modeling, rapid prototyping (3D printing, etc.), and simulation and advanced manufacturing capabilities are translated into new products and processes and where companies can access technologies and services that improve their competitiveness. Among other things, the IML will have a rapid prototyping facility, manufacturing experts, and most likely personnel from large manufacturers and university experts on the premises. The IML is to be seeded with \$10.0 million,

including a \$5.0 million grant from the State and another \$5.0 million match from other sources. The State grant would be issued by the Illinois Department of Commerce and Economic Opportunity (IDCEO).

On March 23, 2013, UI LABS was formed as an Illinois not-for-profit corporation and a supporting organization of the University of Illinois for Internal Revenue Service (IRS) purposes. IML is proposed as the first laboratory within UI LABS, where applied research and development, modeling and simulation, and advanced manufacturing capabilities can be translated into new products and processes, and where Illinois companies access technologies that improve business competitiveness.

In furtherance of its missions of education, research, public service, and economic development, the University wishes to provide to UI LABS a grant up to the \$5.0 million match necessary for grantee to qualify for the IDCEO grant, pursuant to the University of Illinois Act, 110 ILCS 305; and Senate Resolution No. 296, 91st General Assembly, March 23, 2000, in which the Senate resolved, in part:

That the State research-based universities of Illinois be encouraged to expand their role in statewide economic development; and be it further resolved, that the State research-based universities of Illinois make good-faith efforts to work with the appropriate State and private agencies, local community leaders, and others interested in economic development initiatives; and be it further resolved that the State research-based universities of Illinois be encouraged to use their facilities, equipment, research scientists' and staff's time and services, and other resources for

the development and commercialization of new technological and scientific innovations, and that such uses be deemed to be in the public interest and not in conflict with other uses or purposes that derive from their traditional responsibilities for instruction, research and public service; and be it further resolved that the State-research-based universities (be) encouraged to seek to work with other State public and private institutions for expanding technology transfer efforts throughout the State of Illinois.

The grant is expected to advance research opportunities for the University and its faculty and staff through subcontracts and sub-awards and to provide future funding opportunities benefitting the University. It is anticipated that the grant will involve an advance payment of a specific amount, with the remainder to be paid incrementally based on authorized expenditures.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

President Easter recommends that the Board of Trustees authorize University officials designated by the President to negotiate and execute a grant to UI LABS not to exceed \$5.0 million, subject to appropriate terms, conditions and benchmarks to be included in the grant agreement which are normally required by the University in making grants and sub-awards to third parties. The terms of the final grant will be reported to the Board.