

#72

Late Backup



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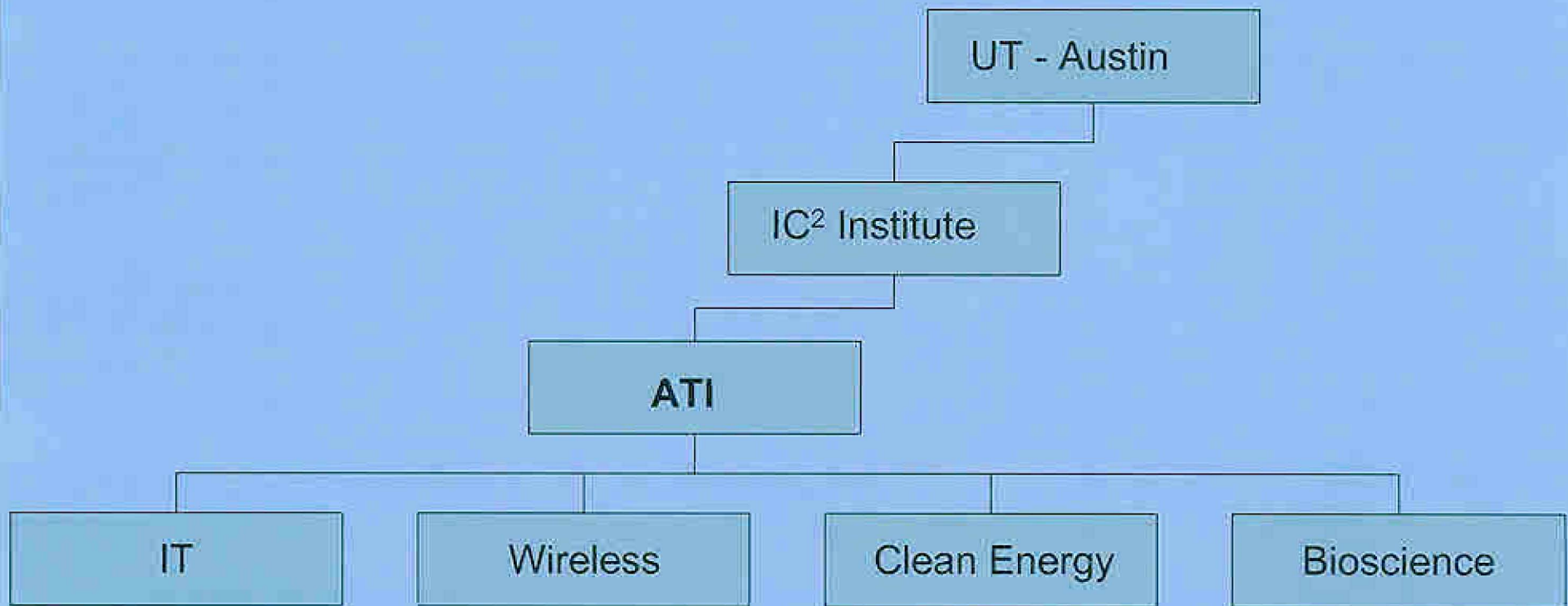
The Austin Technology Incubator: 2009/10 review

Report to the City Council

16 December 2010

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Who we are



ATI is a non-profit program of UT-Austin

What we do

- Help early-stage technology companies grow by accessing talent, capital, networks, partners, and customers
- Support and grow the Austin entrepreneurial community
- Train UT students in technology entrepreneurship and help build businesses based on UT innovation



Positive economic and
community impact for Austin

ATI support from the City of Austin

ATI sources of support, 2009/10*

- University of Texas (\$500,000)**
- Membership dues and fees (\$350,000)
- Corporate sponsorships, ETF, GACC, event registrations, and gifts (\$100,000)
- City of Austin and Austin Energy
 - IT/Wireless program (\$200,000)
 - Bioscience program (\$125,000)
 - Clean Energy program (\$175,000)
 - Clean Energy Venture Summit, (\$120,000)
 - [Beta test company sponsorships, (\$30,000 each)]

ATI received about \$620,000, or ~40%, of our support from the City of Austin and Austin Energy

* Approximate, based on 09/10 budget, excluding balance forwards

** Direct and in-kind, including office space student labor, back-office and administrative functions, IT support, and indirect cost relief

2009/10 impact – economic development (direct metrics)*

Companies assisted

- 32 companies supported
- 9 new admissions
- 13 graduates

Investment

- \$29 million investment into ATI companies
 - \$5 million State Emerging Technology Fund (ETF)
 - \$24 million private investment

Jobs

- 183 total employees at ATI member companies
- 50 new in 2009/10
- 35 student internships

* Reflects partial reporting (~2/3 of companies reported); dollars rounded to nearest million

2009/10 impact – economic development (ROI metrics)*

Economic impact

- \$35 million**

Tax impact (state/local)

- \$2 million (based on direct spending by member companies)**
- \$3 million (based on total spending)**

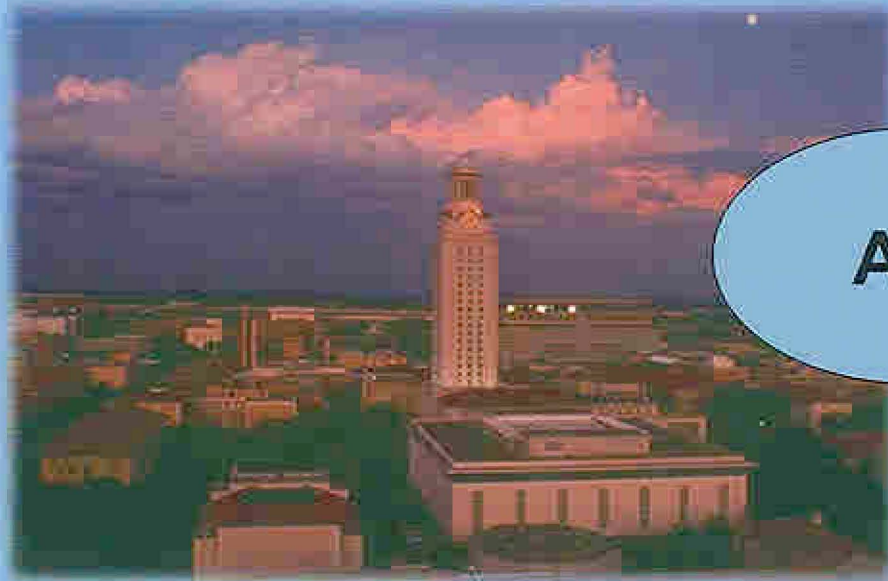
“Dollars/ job” (1 year)

- \$620k/50 new jobs = ~\$12,400 per job created

* Reflects partial reporting (~2/3 of companies reported); dollars rounded to nearest million

** Economic impact and tax impact methodology developed by AngelouEconomics; based on capital raised, company revenues, and multiplier effect

Past 3 years impact – economic development



ATI



- 50 companies
- \$70 million capital raised
- ~75% funding success rate
- \$100 million economic impact in Central Texas
- \$300 million in exits by alumni companies

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Case study – Smooth-Stone (now Calxeda)

- Joined ATI winter 2007/08 (1 employee, self-funded)
- Applied for ETF fall 2008
- First investor (ATI advisor) winter 2009
- \$1 million ETF award spring 2009
- Bridge funding spring 2010
- \$48 million funding commitment summer 2010
- Graduated from ATI August 2010
- Expanding to fill 14,000 ft² office in northwest Austin

The screenshot shows the DealBook section of The New York Times website. The main article is titled "A Chip Start-Up Aims to Slay Intel" by Ashlee Vance, dated August 15, 2010. The article discusses Smooth-Stone, a start-up based in Austin, Texas, which has received \$48 million in funding from a consortium of investors including Google, Amazon.com, Facebook, and Microsoft. The article mentions that Smooth-Stone aims to disrupt Intel's server-chip business by offering a more energy-efficient alternative. A sidebar on the right features a Barclays Capital advertisement with the text "EARN SUCCESS EVERY DAY" and a list of "Latest DealBook Headlines" including stories about Goldman Sachs, Supreme Court, and a property sale.

Attracting headquarters to Austin

Company	What they do	"Home town"	ATI status
• Concert Connect	• Social tools for band and venue management	• Atlanta, GA	• Landing Pad
• iTusavy	• Social search engine	• Seoul, South Korea	• Landing Pad
• Amatra	• Enterprise-level communication management	• Indianapolis, IN	• Landing Pad*
• ihiji	• Web-based home electronics monitoring and support	• Palm Beach, FL	• Landing Pad, transitioning to Member
• Xeris Pharmaceuticals	• Drug delivery platform (first product: diabetes rescue pen)	• San Diego, CA	• Member
• Nitro	• 60 GHz wireless chips and communication devices	• Sydney, Australia	• Member
• Dorsan Biofuels	• Fungal-feedstock biofuel	• California and North Carolina	• Member
• RRE	• Large scale solar farm development	• New Jersey and India	• Affiliate**
• Wi-Fi Alliance	• International wireless standards	• Chose Austin over Bay Area, others	• Affiliate

* Prospective for January 2011

** Major facility rather than headquarters

Two wet laboratory initiatives

1. “UTech Dorm Room” on-campus wet laboratory incubator space
 - Partnership: UT College of Pharmacy, City of Austin, ATI-Bioscience
 - Provide qualified start-ups access to wet laboratory incubation space in the College of Pharmacy (initially ~750 sq.ft.)
 - First tenant early 2011
2. Wet laboratory facility feasibility study
 - Partnership: US Dept of Commerce (EDA), Austin Chamber/Opportunity Austin, UT, Fulbright & Jaworski, TIP Strategies, Grubb & Ellis, ATI-Bioscience
 - ~\$250,000 study to determine market demand, economic impact, potential building design and locations, operating governance and funding structures for a large wet laboratory facility in Austin
 - Target completion Summer 2011

2009/10 impact – community building

- Pecan Street Project
- Clean Energy Venture Summit
- Entrepreneurs' Lounge at SxSW
- Texas Wireless Summit
- Solar Energy Entrepreneurs' Network (SEEN)
- Wireless Seed Stage Funding Forum
- CleanTX Forums
- symBIOsis panels
- Entrepreneurs' Workshops
- Entrepreneur education and training lunches and seminars
- "Start-up mixers"
- ETF funding symposiums
- "Clean Energy Beers"
- UT-Austin events



- ~50 events produced, co-hosted, or sponsored by ATI
- ~6,230 attendees

Themes and priorities

Federal leverage

- City/AE support creates capability platforms that ATI can leverage with Federal dollars on a project basis
- Examples
 - Pecan Street Project Mueller demonstration (DOE)
 - Department of Commerce/EDA wet lab feasibility study
 - DOE projects via SECO

UT as “start-up factory”

- 2009/10 “experiments” – 3 Day Start-up, summer SEAL program, commercialization “hatchery” class
- ~10-12 companies created, \$2 million investment raised, significant job creation potential

Open discussion



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