



Investments that break new ground

## Bio Seed Fund Request for Proposal

*Innovative ventures shaping our economy*

Biobusiness growth is one of Southern Minnesota Initiative Foundation's (SMIF's) focus areas because our region is recognized as an opportune place for this type of business growth. Because biobusiness jobs generally pay higher wages and provide additional spin off businesses, SMIF has invested additional resources through the Bio Seed Fund and incentive grants to accelerate this economic development opportunity.

### Bio Seed Fund

SMIF's Bio Seed Fund supports seed and start-up stage companies. This seed capital fund is intended for biobusinesses that need capital, business expertise and networking opportunities.

The Bio Seed Fund targets economic development opportunities related to bio-medical, bio-agriculture and renewable energy. Funding will be provided on a one-time-only basis.

### Use of Funds

- Prototype development and testing
- Market development, research and analysis
- Organizational development
- Product testing and analysis
- New product tooling and fixtures
- Engineering drawings
- Working capital
- Patent opinions and filings

### Investment Amount:

- Up to \$25,000 is available

### Qualifications:

- Funding requires a minimum of one-to-one equity or cash match for every Bio Seed Fund investment
- First 12 months of no repayment
- Repayment options include:
  - Repayment through stock ownership
  - Repayment through promissory note
  - Repayment through loan with warrants

### Selection Criteria:

Products/businesses which demonstrate the following characteristics will be given preference:

- Product market potential
- Applicant's ability to bring product to marketplace
- Product uniqueness and protection
- Profit potential
- Quality job creation potential
- Applicant's business experience/background
- Applicant's financial and personal commitment

### Application Guidelines

Southern Minnesota Initiative Foundation considers applications from organizations with main or branch offices located in the 20 county area or from organizations dedicated to serving within the area.

The counties are:

Blue Earth	Houston	Sibley
Brown	Le Sueur	Steele
Dodge	Martin	Wabasha
Faribault	Mower	Waseca
Fillmore	Nicollet	Watonwan
Freeborn	Olmsted	Winona
Goodhue	Rice	

The Bio Seed Fund will not fund existing companies that are either self-sustainable or have the capacity to raise funds independently through traditional sources.

SMIF has the right to accept or deny any application. SMIF does not respond to general or indiscriminate letters of solicitation.

### Application Process

- Applications will be accepted September 8, 2008 – November 7, 2008
- Finalists will be asked to participate in an interview before the Loan Review Committee.
- Applicants will be notified of the Committee's decision within three business days of their interview.

For more information or to obtain a Bio Seed Fund Application, contact us at 507-455-3215, or visit our website at [www.smifoundation.org](http://www.smifoundation.org)

- Diane Lewis, E-mail: [dianel@smifoundation.org](mailto:dianel@smifoundation.org)

## **STRATEGIC INDUSTRIES**

Examples of bio-medical, bio-agriculture and renewable energy opportunities: (not intended to be all encompassing).

### ***Bio-Agriculture/Renewable Energy***

*Definition: Focused on the application of biological technology in the field of plants and agriculture, including applications converging energy, agriculture and renewable energy.*

*Biotechnology: Corn stover, wheat straw, urban and forest wood waste, sugar cane and paper pulps, rice hulls, municipal garbage, and nonfood energy crops such as switch grass, hybrid poplar and willow.*

*Energy generation: Alternative energy sources such as wind power, biodiesel, solar, bio-fuel, geothermal.*

*Energy Storage: Fuel cells, advanced batteries, hybrid systems.*

*Energy Infrastructure: Expanded natural gas distribution, bio-fuel processing technologies.*

*Water and Waste Water: Water treatment, conservation*

*Air and Climate: Emission control, clean up/safety, monitoring/compliance.*

*Recycling and Waste: Recycling, waste treatment, bio-remediation.*

### ***Bio-Medical:***

*Definition: Focused on the application of technology in the biological domains of human health and veterinary medicine.*

*Biotechnology: Bio-medical engineering, bio-pharmaceuticals, genomics, bio-informatics*

### ***Knowledge Industry***

*Definition: The study and application of technology to enable the use of bioscience.*

*Information and Communication Technologies: Internet solutions/e-commerce, software development, system integration, e-learning, e-health, security solutions.*