

Board of County Commissioners Workshop

Date of Meeting: September 20, 2005
Date Submitted: September 15, 2005
To: Honorable Chairman and Members of the Board
From: Parwez Alam, County Administrator *PA*
Vincent Long, Assistant County Administrator *VL*
Subject: Workshop on Innovation Park Priority Recommendations.

Statement of Issue:

This workshop item presents an assessment report from George Henry George Partners (Consultant on Innovation Park) with recommendations for further improvements at the Park. This item requests Board acceptance of the Consultant's report and approval of their priority recommendations (Attachment #1).

Background:

During their regular meeting on May 10, 2005, the Board of County Commissioners authorized the County Administrator to retain an outside consultant for an assessment of Innovation Park. The assessment was to include a) a review Innovation Park's current practices, b) a review of the operations of other successful research parks across Florida and nationwide, and c) a set of recommendations on how to further improve success at Innovation Park. On June 14, 2005, the Board approved an agreement with George Henry George Partners for completion of the Innovation Park assessment report for a sum of \$25,000 (Attachment #2).

The Analysis Section, below, presents the Board with additional information regarding the creation and current operational status of Innovation Park. This section also presents the Board with an overview of the Consultant's assessment report on Innovation Park, including priority recommendations for further action by the Board and the LCRDA governing Board, as appropriate.

Analysis:

Historical Overview Regarding the Creation of Innovation Park:

In 1978, the Florida Legislature passed a law authorizing the creation of research and development authorities in the state. Section 159.701-159.7095, Florida Statutes, delineates how a county (or counties) may create, by ordinance, such an authority. According to statute, research and development authorities are created for the following specific purposes (Attachment #3):

- To promote scientific research and development in affiliation with one or more universities.
- To finance capital projects related to the establishment of a research and development park.
- To foster the economic development and broaden the economic base of a county.

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On October 24, 1978, the Charter of the Leon County Research and Development Authority (LCRDA) was executed thereby creating the authority in Leon County. Of the five "R & D" authorities created throughout the state of Florida, the LCRDA (Innovation Park's governing board) is the only such authority to have affiliated with more than one university. According to their Charter, the general purpose of the LCRDA is to operate, manage and control a research and development park (Innovation Park) within Leon County and in affiliation with the Florida State University (FSU) and the Florida Agricultural and Mechanical University (FAMU). The powers and duties of the LCRDA include the acquisition and leasing of park property and the development and implementation of a plan for the use of park lands. The LCRDA is also charged with advising the Board of County Commissioners on all subjects relating to the development and operation of Innovation Park (Attachment #4).

In 1980, the Leon County Board of County Commissioners adopted Ordinance No. 80-68, confirming the creation and existence of the LCRDA. Part of this Ordinance specified the membership and composition of the LCRDA Board establishing that there will be no less than five members. In accordance with this County ordinance, the LCRDA Board membership is to include two individuals recommended by the Presidents of FAMU and FSU, respectively, and other individuals from Leon County as resolved by the Board of County Commissioners (Attachment #5).

The LCRDA has adopted By-laws to govern their Board's operations and to further the management of Innovation Park. The By-laws detail the membership of the LCRDA Board and provide for the election of Chair and Vice-Chair, the duties of LCRDA Board officers and the employment of individuals to manage Innovation Park operations (Attachment #6).

Overview of Current Innovation Park Status:

The main Innovation Park campus is comprised of 238 contiguous acres. Park management reports that the Park's 208 acre main campus is held under a ninety-four (94) year lease from the State of Florida, as entered into in 1980. Originally undeveloped land, the LCRDA received grants from the state, county, city, private sector and universities to develop and complete initial road and other utilities infrastructure projects. Park management reports that the County was the 2nd largest initial contributor with a grant of \$760,000 to stimulate initial development at the Park.

The LCRDA Board membership is presently comprised of the following nine individuals:

1. Ray Eaton, LCRDA Chair, E Group Systems
2. Honorable Jane Sauls, LCRDA Vice Chair, Leon County Commissioner
3. Thomas Barron, LCRDA Secretary/Treasurer, President, Capital City Bank
4. Dr. Castelle Bryant, President, FAMU
5. Bill Sweeney, Office of the FSU Vice President for Research
6. Dr. Bill Law, President, Tallahassee Community College
7. Sylvia Jordan, Entrepreneur
8. Honorable Mark Mustian, Commissioner, City of Tallahassee
9. Mike Coburn, President, Talla-Tech, Inc.

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Ms. Jordan has recently indicated that she will not be seeking re-appointment for another term. As such, Innovation Park's Recommendation Committee is currently reviewing individuals to nominate to the Board of County Commissioners for appointment. It is anticipated that the work of this committee will be complete early this fall. In accordance with Ordinance #00-29, the recommendation will be forwarded to the Board for their review and appointment (Attachment #7).

Innovation Park is currently home to thirty (30) organizations that employ approximately 1,500 employees in fourteen (14) completed buildings. The Park reports that over 809,000 square feet of completed lab, office and production space are in use today. Of the 14 total buildings in the Park, the LCRDA owns eight (8), FSU owns two (2), and the State Board of Regents owns two (2). The two (2) remaining buildings are owned by private companies (Attachment #8).

The LCRDA is a self supporting enterprise with an annual budget of \$1.5 million and a fund balance of approximately \$3.8 million. Innovation Park currently owns over \$11.7 million in equity in their 8 buildings, combined. As presented in the attached audit and budget documentation, the Park is heavily reliant on the \$1.2 million in annual tenant lease revenues it generates from its buildings to support Park operations. To further enhance economic development at the Park, the LCRDA has budgeted a total \$145,000 this fiscal year, primarily for a new Technology Commercialization Grant Program intended to stimulate new investment in the Park (Attachment #9).

Innovation Park has Planned Unit Development (PUD) zoning and is a vested project with existing utilities, roads and related infrastructure in place for future development. The Park's covenants allow for tenancy by university, governmental, and private organizations that are engaged in research and development activities. The Park is also in the process of updating their Master Use Plan, which is expected to be complete before the end of the year.

Recent Board of County Commissioner Activities Relating to Innovation Park:

During the past two years, the Board of County Commissioners has remained very engaged in the furtherance of economic development activities and expanded use at Innovation Park. On April 29, 2003, the Board took a tour of the Park to review the Park's existing status and future development plans. At that time, the Board created a Task Force on Innovation Park, led by Dr. Bill Law, TCC President. The general mission of the Task Force was to prepare options and recommendations to the Board to insure the future development and success of the Park. The Task Force presented their findings during a Board Workshop on November 25, 2003. The Task Force recommendations included the following key parts (Attachment #10):

- Expanded LCRDA Board membership
- Initiation of an aggressive marketing campaign
- Increased role for higher education institutions at Park
- Creation of incentives for future business development at the Park
- Review/update of allowable land uses at the Park

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On January 13, 2004, the Board accepted the findings and recommendations of the Task Force on Innovation Park. At that time, the Board adopted Resolution #04-02, expanding the membership of the LCRDA to include the Mayor of Tallahassee and the President of Tallahassee Community College. This change signifies the last action taken by the Board to alter the level of representation, or membership, on the LCRDA (Attachment #11).

During the past year, there has been significant communitywide discussion regarding increasing development efforts at Innovation Park, including the potential construction of a new facility for a relocating, magnetic-based air conditioning manufacturer ("Project North"). In addition, there has also been an increased focus on the LCRDA's interpretation of "allowable" uses for further development at the Park and the need for creation of a business incubator to stimulate private sector investment. During the 2005 regular state legislative session, legislative action was considered to increase the level of FSU's representation on the LCRDA governing board, but was not approved. As further presented in the following section and attached assessment report (Attachment #1), each of these important issues were addressed in the Consultant's review of Innovation Park.

Priority Recommendations from Consultant's Assessment Report:

The Consultants have performed their assessment of Innovation Park over the past three months. During this time, members of the Consultant team have traveled repeatedly to Leon County to meet with Innovation Park staff, government officials, key business and community leaders and the presidents of each of our community's institutions of higher education. In addition, the Consultants have performed a comparative assessment of other top-performing university research parks across Florida and nationwide. George Henry George Partners has completed their final review and assessment of Innovation Park for the Board's review. At this time, staff recommends Board acceptance of the Consultant's report (Option #1 on Page #7).

Significantly, the Consultant's final report includes a series of recommendations intended to further stimulate positive development at Innovation Park. Each recommendation is intended for further action either by the Board of County Commissioners or the LCRDA governing board, as appropriate. Table #1, below, provides a brief overview of the Consultant's "first priority" recommendations. As detailed in the Consultant's report, these key requests are targeted for immediate implementation. This table also provides a description of which "oversight" group is most appropriately tasked for the further review and implementation of each recommended step (Attachment #1, Page #1).

TABLE #1: Consultant's "First Priority" Innovation Park Recommendations.

| Recommendation: | Explanation: | Actionable "Oversight" Entity: |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Enhanced "University" Role on the LCRDA Board | <i>Expand the LCRDA Board from 9 to 12 members, to include 1 additional representative from FSU, FAMU and TCC, respectively.</i> | Board of County Commissioners |
| Approve FSU "building" deal | <i>Finalize ongoing negotiations to give FSU ownership of the buildings for which they have paid off the bonds and approve the transaction.</i> | LCRDA |

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| Recommendation (continued): | Explanation: | Actionable "Oversight" Entity: |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Supply Multi-Tenant Space | <i>Create supply of multi-tenant technology company space.</i> | LCRDA |
| Enhanced Park Staffrole in Marketing | <i>Terminate current outside marketing contract and enhance executive's role in marketing the Park "in-house."</i> | LCRDA |
| Technology Commercialization/ Business Incubator | <i>Create a technology business incubation and growth program at the Park, in close cooperation with the universities.</i> | LCRDA |

As presented in Table #1, one of the consultant's "first priority" recommendations can be acted upon immediately by the Board. That recommendation is to expand the membership of the LCRDA from nine (9) to twelve (12) members, to include one additional representative from FSU, FAMU and TCC, respectively. This recommendation is based upon the Consultant's finding that an increased "university" presence on the LCRDA governing body would likely result in a greater university buy-in to, and participation at, Innovation Park. The Consultants noted that active participation of universities at their research parks was a critical determinant of the park's success. The finding was that the limited number of university representatives on the LCRDA's current governing board (3 out of a total 9 members) had a negative impact upon engendering local university support of operations and development at Innovation Park. This concern regarding university buy-in and participation at the Park was supported by university representatives during the Consultant's outreach process.

To expand the membership of the LCRDA governing board, the Board of County Commissioners would only need to adopt a new resolution expanding the membership of this body. At this time, staff is recommending that the Board approve a resolution expanding the membership of the LCRDA from 9 to 12 members and to include one new representative from FSU, FAMU and TCC, respectively. Based upon the Board's direction, staff would prepare this resolution for adoption at an upcoming regular meeting of the Board (Option #2 on Page #7).

The remainder of the Consultant's recommendations are presented in "Section P" of their report. The Section I recommendations cover an array of issues and are collapsed into six general categories. The following section presents an overview of each main category and a brief, bulleted list of the recommendations within each grouping (for a full description, please refer to Attachment #1):

1. Organization, governance and staffing improvements:
 - Prepare a new consensus mission statement for Innovation Park.
 - Restructure the LCRDA (expanded University membership).
 - Refocus LCRDA's activities/direction (less focus on real estate management).
 - Create small Executive Committee for real estate transactions.
 - Tighten County/LCRDA partnership (closer oversight of LCRDA by BoCC).
 - Strengthen LCRDA senior staff (including an enhanced role in marketing the Park).

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2. Achieving the optimum university participation in the Park:
 - Improve anchor university tenancy within the Park.
 - Increase promotion of university assets at the Park.
 - Encourage joint research proposals by universities.
 - "Enlist" university faculty in marketing the Park.

3. Generating small technology business tenants (Business Incubator):
 - Create business incubator within the Park.
 - Consider LCRDA/BoCC "match" funding for the incubator.
 - Harvest university technology "grow-up" firms (those with \$1 million+ sales).
 - Create available multi-tenant "spec" space at the Park.
 - Clearly define "allowable" uses for businesses at the Park (similar to UCF or FAU).
 - Create seed or "angel" funding/investment system.

4. Accessing creative real estate strategies:
 - Expand anchor tenancy at the Park by universities (duplicate recommendation)
 - Build an incubator at the Park (duplicate recommendation)
 - Create tenant improvement grants
 - Submit an RFP for nationally recognized research park developer

5. Improving the physical Park and its access routes:
 - Achieve effective and attractive "wayfinding" signage.
 - Create quality tenant and employee services/amenities on-site.
 - Improve quality of visual environment at the Park.
 - Improve the transportation corridors accessing the Park.
 - New construction at the Park's main entrance.

6. Marketing the Park.
 - Make the marketing of the Park a primary staff function.
 - Improve tenant relations.
 - Discontinue outside public relations services contract.
 - Implement effective business incubator/technology commercialization program.
 - Correct the "serious lack" of building product available at the Park (duplicate rec.).
 - Improve relationships with local, regional, state and corporate marketing organizations.

As detailed above, each of these recommended "action steps" are to be undertaken by the LCRDA (primarily), the Board of County Commissioners, FSU, FAMU, TCC and other community partners toward the further improvement of Innovation Park. Once implemented, it is anticipated that these actions will directly result in the strengthening of operations at, and success of, Innovation Park.

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At this time, staff recommends that the Innovation Park management and governing board (LCRDA) review the findings of Consultant's report and prepare a comprehensive report to the Board of County Commissioners (for presentation before the end of 2005). Staff recommends that the LCRDA's report to the Board include an action plan toward implementation of each of the Consultant's "Section I" recommendations (Option #3, below).

Finally, it is recommended that the Board direct staff to coordinate with the LCRDA governing board and Innovation Park staff to monitor the implementation of the Consultant's recommended changes at the Park, as detailed in their final report. In addition, direction that staff provide executive assistance to the LCRDA, as needed, during this implementation process is recommended at this time (Option #4, below).

Options:

1. Accept Consultant's Assessment Report and Strategy Recommendations.
2. Direct staff to prepare an agenda item to expand the LCRDA membership to include one (1) additional representative from FSU, one (1) additional representative from FAMU and one (1) additional representative from TCC.
3. Request the LCRDA's preparation of a comprehensive report to the Board of County Commissioners, for presentation before the end of 2005, that outlines an action plan by the LCRDA for the implementation of each of the Consultant's "Section I" recommendations.
4. Direct staff to coordinate with the LCRDA and Innovation Park staff to monitor the implementation of the Consultant's recommendations and to provide executive assistance to the LCRDA, as needed, during the implementation process.
5. Do not accept the Consultant's Assessment Report and Strategy Recommendations.
6. Board direction.

Recommendation:

Options #1, #2, #3 and #4.

Attachments:

1. Consultant's Assessment Report and Strategy Recommendations for Innovation Park.
2. Agreement for Consulting Services with George Henry George Partners.
3. Section 159.701-159.7095, F.S.; "Research and Development Authorities."
4. LCRDA Charter
5. Leon County Ordinance #80-68; Confirming the creation and existence of the LCRDA.
6. LCRDA Bylaws
7. LCRDA Recommendation Committee Procedure Overview (Including Ordinance #00-29).
8. Innovation Park Information (from Website).
9. Sections from 2004 LCRDA Audit and Adopted Budget.
10. Task Force on Innovation Park Final Report to the Board dated November 25, 2003.
11. Resolution #04-02, expanding LCRDA membership to nine members (January 13, 2004).

INNOVATION PARK:



ASSESSMENT AND STRATEGY RECOMMENDATIONS

Prepared for:

Leon County Board of County Commissioners

September 2005



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INTRODUCTION

Great Importance of Successful Park Development. Over the last four decades communities across the country have moved steadily to join with their universities to develop research and technology parks. The logic in this community and university partnership is strong. The foundation of the U.S. economic leadership is more and more focused on conception and refinement of new products and service packages; in the face of our high quality of life making us less cost competitive with developing nations in production costs. Our universities and colleges provide the strong platform of research and product innovation essential to maintaining our leadership nationally and in each community.

Formation of the Park. The leadership of Leon County and its Universities recognized this need for a community/university research and development and economic development partnership in the late 1970's, sought legislative approval, and formed the Leon County Research and Development Authority to develop a research and development park, Innovation Park. The development and marketing of Innovation Park has continued since that time.

An Important Part of the Tallahassee Economy. Innovation Park is an important part of the Tallahassee community and economy, with 208 acres, over 800,000 square feet of building space in place and by last estimate over 1,500 employees. The Park has also become an important part of the university campuses as the Downtown main campuses become built-out and the schools continue their rapid growth. Park staff reports that FSU and FAMU occupy a total of just under 100,000 SF in the Park. It has become the home of some important state government activities. Important technology anchors, like the National High Magnetic Field Laboratory, the FAMU-FSU College of Engineering, the Center for Advanced Power Systems and Talla-Com Industries are located there. Park staff also reports that there is just under 84,000 SF of private company space.

Continuing Criticism of the Park. But in recent years there has been increasing criticism of the Innovation Park development operation. That criticism was an important factor in a number of previous examinations of Innovation Park by the Urban Land Institute and several local task forces and as a part of recent Tallahassee "Southern Strategy" area-wide economic development reports. Some of these studies recommended creating new university technology park and campus areas, and others recommended enhancing private marketing activities of the park and/or expanding the board to give the universities more control. Some actions have been taken in response to these other efforts such as expanding membership of LCRDA to include the Mayor of Tallahassee and the President of Tallahassee Community College. The Authority is in the latter stages of a strategic planning process which is considering changes consistent with some of these past recommendations for staff changes, a sharpening of the permitted use standards, a transfer of ownership of some FSU lease-amortized buildings to the University, upgrading park infrastructure and other important changes.

This Consultant Assignment. The assignment given the George, Henry, George Partners/Dilks Consulting team was to:

- 1) **Leadership Interviews.** Carry out in-depth interviews with 25-30 community leaders, including Authority members, County Commission members and senior staff, university and college administrations and others in the business, real estate and economic development community. The focus of these interviews was to gain leadership input on what Innovation Park should be achieving and what was actually being achieved; and what changes in their judgment would substantially improve the effort.
- 2) **Best Practice Park Assessment.** The consultant team was to identify the Florida research parks and best practice parks nationally, whose operations and accomplishments are most instructive realizing the full Innovation Park potential. The consultants had strong perspective for this task as Mr. Dilks directed one of the Country's most successful research parks for many years and Mr. George of George Henry George Partners has provided feasibility and strategic planning guidance to many of the large university research parks in North America, each for over 30 years, respectively.
- 3) **Compare Innovation Park.** The consulting team used the interview data and the examination of the data on Innovation Park provided to compare the Innovation Park achievements and development strategies and activities undertaken with achievements and activities at the best practice parks.
- 4) **Address Key Issues.** From the leadership interviews there were at least three principal specific issues relative to Innovation Park performance, and one overriding issue:
 - A) **Private Tenancy in the Park.** Since the governmental and university tenancy in Innovation Park would likely be located in the Tallahassee community whether there was a research park or not, what has the Park development brought to the community? Particularly, where are the private technology companies research park efforts are supposed to bring?
 - B) **Increased University Involvement.** Is the low relative level of university support and participation in the Innovation Park marketing and development to private companies a result of the limited university membership and influence on the Authority board?
 - C) **Staffing Issues.** Is the almost total lack of success of Innovation Park to attract or create technology companies for the park due to the lack of successful marketing experience and achievement on the part of senior staff of the Authority?
 - D) **Comprehensive Set of Recommendations.** What actions must be taken in order for Innovation Park to realize its full potential in attraction and creation of technology companies for Tallahassee?

Introduction

Report Organization. Section I of this report presents our assessment of the existing situation, a description of the most successful techniques being used by the best practice parks and then recommendations made for Innovation park.

First, the four highest priority recommendations are pulled out of the comprehensive strategy for emphasis.

Next, the total set of important recommendations are presented. These recommendations, if implemented, should result in important improvement in Innovation Park performance. The recommendations are made in six categories:

- I. Organization, Governance and Staffing
- II. Achieving Optimum University Participation
- III. Generating Small Technology Business Tenants
- IV. Accessing Creative Real Estate Strategies
- V. Improving the Physical Park and Access Routes
- VI. Marketing the Park

Section II briefly sets forth immediate next steps to move ahead with the recommendations.

Following, there are four appendices, including: 1) the results of a SWOT analysis; 2) the best practice park in-depth assessment results; 3) the Florida research park scan results and 4) a listing of those community leaders interviewed.

The consultants wish to thank the Leon County Board of County Commissioners for authorizing this important assessment of Innovation Park and to thank all the other community leaders who made important input to our work.

A successful research park development and marketing effort requires committed and sustained, community wide efforts. This report sets forth what is required for Innovation Park.

George, Henry, George Partners

Dilks Consulting

September, 2005

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Section I.

Innovation Park Priority Recommendations

SECTION I. INNOVATION PARK PRIORITY RECOMMENDATIONS

SECTION I. INNOVATION PARK PRIORITY RECOMMENDATIONS

Innovation Park plays an important economic role in Leon County with over 800,000 square feet of university, governmental and private technology company space and providing jobs to over 1,500. Over 85,000 square feet of this total is in private occupancy and roughly 180,000 square feet is in university occupancy. The remainder is occupied by the Mag Lab, and other governmental agencies. The role of the Park can be substantially enhanced and the occupancy of private technology companies substantially increased when changes are made to bring the marketing, development and operations of the Park effort consistent with the best experience of research park development at similar universities across the country (Appendix B).

FIRST PRIORITY RECOMMENDATIONS

All of the recommendations presented within this report are important to the future success of Innovation Park. The following four recommendations are judged as the most essential for immediate implementation by key stakeholders:

- I. **Stronger University Authority Board Role.** Florida State University must play the essential role in the successful development and marketing of the park through providing anchor tenancy in multi-tenant buildings and insuring University faculty, facility and service availability to Park tenants. To do so, there must be additional University representation on the Authority Board. FSU must also be given ownership of Park buildings whose bonds have been paid off with university rental payments. The LCRDA is finalizing negotiations with FSU to accomplish this objective.
- II. **Senior Park Staff Leadership With Proven Marketing Skills.** The park must have senior staff leadership with proven and successful experience at attracting private technology companies and other technology entities to university research parks.
- III. **Immediate and Continuing Supply of Multi-tenant Space.** Actions must be taken to insure that there is a continuing supply of multi-tenant technology company space to

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market in the park. This should be accomplished through the university anchor tenant role, recruiting successful research park developers and broader Authority and other public participation as needed,

IV. Effective Technology Commercialization. Innovation Park and successful technology-based economic development in Tallahassee/Leon County in total require that there be a successful technology business incubation and growth program. The optimum location for the incubator building is in the Park.

Actioning of these recommendations will provide the platform for Innovation Park to achieve the technology-based economic development and enhancement of the university research programs which the community leadership gives such high priority.

THE TOTAL RANGE OF PRIORITY RECOMMENDATIONS FOR INNOVATION PARK

The recommendations presented below have been grouped into six categories and all are important to the success of this important community and university initiative:

- I. Organization, Governance and Staffing
- II. Achieving Optimum University Participation
- III. Generating Small Technology Business Tenants
- IV. Accessing Creative Real Estate Strategies
- V. Improving the Physical Park and Access Routes
- VI. Marketing the Park

This section of the report presents: 1) our assessment of the competitive position of the Park in each of the important performance characteristics; 2) the lessons which can be learned from the best practice parks; and 3) our recommendations for change required to achieve the full Innovation Park potential.

I. ORGANIZATION, GOVERNANCE AND STAFFING

A. Assessment of the Existing Situation at Innovation Park

1. The Florida approach of the creation of county and multi-county research and development authorities to develop and operate research parks has been a part of very successful park development efforts in some other counties, like Orange, Broward and Palm Beach, and more limited success in others. Innovation Park is exceeded by only Central Florida Research Park in total occupied space and employment, but trails badly in private technology company space.
2. In Tallahassee, the universities are not playing the role they need to play to make Innovation Park fully successful and this is not likely to change without greater university participation on the Authority Board.
3. Marketing success with private technology companies with university relationships is judged by many in the community as the crucial measure of Innovation Park success and the current staff has had no success in this regard at Innovation Park.
4. Our interviews revealed leaders in Leon County whom have lost confidence in the Authority Board and senior staff. This makes it difficult to mount an effective community-wide Park development effort.
5. The Authority, through its operations, has built a substantial cash reserve.
6. There is poor communication among the County, the Authority, the universities and the business community with regard to Innovation Park, its mission and how to chart a path to get there.

B. Experience of the National Best Practice Parks

1. In all the successful best practice research parks, a close working relationship with the university is the most important marketing asset; and in most cases the university, or its foundation or a non-profit corporation created by the university, is playing the key role in developing the park.
2. Most parks have a board of directors with strong university and strong business community membership.
3. The three most important university objectives for research parks are: 1) transfer of university technology to the private marketplace, 2) start-up and attraction of technology businesses with university relationships and 3) the support this provides to the total research program through research funding from park companies and improved competitive positioning in seeking grants.
4. Most communities' objectives for their parks are similar to those of their universities, although the attraction of companies and creation of jobs ranks highest.
5. Senior research park staff with a proven marketing track record have greater success in attracting technology companies.
6. A major objective of successful parks is maintaining an effective dialogue with local government and the business leadership.

C. Recommendations

1. **New Consensus Mission Statement.** A new mission statement for the Park should be developed and approved jointly by the all of the stakeholders. This mission statement should certainly include accommodating some of the future expansion of the universities

Section I

Innovation Park Priority Recommendations

- and the attraction, start-up and growth of private technology companies and related entities with university relationships.
2. **Restructured Authority Board.** More university involvement is essential to the success of the Park. The board structure should be changed so that each of the three presidents (FSU, FAMU and TCC) appoint one new additional board member, so that the total university representation would increase to six. However, the newly appointed board members should not be university employees but should be broadly based civic leaders who not only have a relationship to the institution by which they are nominated, but also have direct and relevant experience in such areas as science and technology, seed and venture capital, real estate development and/or entrepreneurship and commercialization of technologies.
 3. **Role and Focus of the Board.** The Board should focus primarily on policies and procedures, with a particular focus on hiring and evaluating staff leadership. The Board should spend less of the time of the total Board on real estate management.
 4. **Executive Committee.** A small executive committee of the Board should be established where real estate development transactions can be scrutinized, leaving the full board to make broad policy and legally binding decisions.
 5. **County/Authority Partnership.** Formal procedures should be established for making the Authority and Commission efforts to enhance the role of Innovation Park an effective partnership, including: joint meetings of the two boards (including the review of the Authority's budget); regular meetings of the Commission and Authority staffs; and the designation of a senior County staff member to serve as liaison with the Authority and its Executive Director and keep the Commission informed.
 6. **Needed Senior Staff Strengths.** Community leadership perceives the primary purpose of Innovation Park to be the attraction and creation of private technology companies. As such, the performance of existing staff compares poorly with best practice parks.

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Successful marketing to technology companies is a major responsibility assigned to the senior park executive at most of the best practice parks. The Authority should immediately take action to correct this staff deficiency.

II. ACHIEVING THE OPTIMUM UNIVERSITY PARTICIPATION IN THE PARK

A. Assessment of the Existing Situation at Innovation Park

1. An anchor university (or universities) closely partners with each of the best practice parks and the successful Florida parks. That is not the case with Innovation Park. In fact, there are important disagreements among the universities and with the Authority. In this climate the Park effort is not likely to succeed in the highly competitive national and regional technology company market.
2. Essential participation by FSU requires that the University get ownership of some or all of Authority buildings they occupy when the bonds are paid off. Important progress towards achieving this objective was recently made.
3. The universities are providing only limited value added services such as access to specialized equipment, participation in employee service programs, full participation in technology seminars, and the opportunity for close working relationships with faculty to existing and prospective tenants for the Park. There are no clearly written policies and regulations for which university facilities and services are available and under what conditions. Having such a policy in place is common in the best practice parks.
4. There is a lack of clarity, leading to over cautiousness, as to what represents an adequate university research-based relationship for prospective tenants under the establishing legislation. The experience of other successful Florida research parks can provide important guidance.

B. Experience of the National Best Practice Parks

1. In all of the best practice parks, the university or universities play an important role in the governance of the park which increases their enthusiasm and their sense of public responsibility.
2. The park is seen as such an important component of the community's economic development strategy that all parts of the leadership concentrate their efforts on working together for its success.
3. A major priority of park staff is to work with university staff to achieve park tenant access to important university facilities and equipment, services and faculty; and to prepare a clear statement of what is available, under what conditions and to coordinate provision of these value added services to park tenants.
4. All national best practice parks and Florida parks require a university and research relationship for prospective park tenants, but they differ considerably as to whether the relationship must exist before the tenant moves in and whether hiring students alone is enough.

C. Recommendations

1. **Important University Anchor Tenancy.** Universities play a very important role in park development success when they meet a part of their own space needs by leasing sufficient space in multi-tenant, privately developed buildings to secure the developers' financing. This should be an important part of the Park marketing priority to always have a supply of multi-tenant space available to lease to technology companies and other prospective private sector tenants.
2. **Deploying and Promoting the Universities' Assets.** Universities should work with Innovation Park staff to draft a "university resource availability statement," which would

Innovation Park Priority Recommendations

make clear to existing and prospective tenants for the Park which equipment and services they can have access to, what are the conditions to access and who they should contact to obtain access.

3. **Joint Research Proposals.** University faculty should be encouraged to participate with Park tenants in the preparation of joint research proposals. This greatly strengthens many competitive proposals and is an important incentive for Park tenancy and faculty support.
4. **Faculty on the Marketing Team.** Universities should play an important role in the marketing of the Park through appropriate faculty participation on specific target marketing efforts and making the Park a strong part of the university's communications message.

III. GENERATING SMALL TECHNOLOGY BUSINESS TENANTS

A. Assessment of the Existing Situation at Innovation Park

1. There is no incubator building or incubator services program serving Innovation Park. As a result, small technology business development efforts at the Park have had very little success.
2. There is almost no multi-tenant space available to small companies in any other buildings in the Park.
3. The FSU entrepreneurial development focus, and the results of a recent FSU led entrepreneurial development task force, are on developing later stage companies, such as those that have already posted million dollar business volume.
4. This focus on more mature companies does little to harvest the rich potential of FSU and FAMU technology.

5. There is inadequate financing of any kind made available at the Park for start-up and growth of small technology companies.
6. There is not strong university support for faculty participation in business start-ups, such as giving this activity an important role in performance assessment for tenure and salary.
7. Senior university staff report knowledge of over 120 small technology companies in the community, most with some existing or past university relationship, but very few are in the Park. The lack of appropriate building space is an important factor.

B. Experience of the National Best Practice Parks

1. Almost all of the best practice parks and successful Florida parks have incubator buildings and services programs.
2. At the best practice parks, an important share of the private technology companies in the park came from the incubator.
3. In each case, funds for construction of the incubator building came from grants from local, federal and state agencies and/or universities and the business community. Construction cost is not amortized by net operating income.
4. During the initial lease-up period, incubators have substantial negative cash flow; but once fully leased, negative cash flow should be limited. However, incubators should be considered an economic development tool to produce companies and jobs, such as a marketing entity budget, not a profit-making enterprise.
5. Often the incubator is owned and operated by a separate non profit entity, with a board closely related to that of the park.

Innovation Park Priority Recommendations

6. Some incubator programs have effectively carried out "pre-incubation programs" which provide limited space and technical assistance to faculty and others with a business concept not yet developed into a product/service package or business plan.
7. Park staff often takes the lead in working to form seed and angel small business funding networks; and in some cases managing the funds.

C. Recommendations

1. **Incubator High Priority.** The Authority or a special purpose, non profit community entity, should seek State and federal grants and other sources, to finance and build an incubator building in the Park. Florida has recently made very large commitments to technology-based economic development in other parts of the State and that should be precedent for investment in the Capital City.
2. **Consider Authority/Commission Matching Incubator Funding.** In order to enhance the competitive position of the application for governmental grant funding, the Authority should consider using some of its cash surplus for a partial match.
3. **Add Start-ups to "Grow-ups" to Harvest University Technology.** In the interim, FSU's Moran Center/Chamber task force focus on "post one million volume" companies should be broadened and deepened to provide virtual incubator services to faculty and other start-ups, including assisting them to locate in multi-tenant space.
4. **Multi-tenant Space.** Many small technology companies have advanced beyond the incubator stage but still are not able to develop their own buildings or to have their lease be of value to the developer in securing building financing. Anchor tenancy by a university, a local utility or even perhaps the state government will be important to insure space is developed to be available to these companies so they do not need to move out of the community just as they are achieving real business success.

5. **Clear Definition of Permitted and Priority Uses.** Seek the participation of the Florida Atlantic and Central Florida research park staffs in formulating a clear and specific definition and description of permitted uses, and perhaps among these, priority uses, for future marketing of Innovation Park.
6. **Achieve Seed and Angel Funding Resources.** Work with the Chamber, the EDC, the FSU Moran Center and others to contact and organize local and out of town investors, to put a seed and angel funding network in place. Attracting investors to small and start-up companies requires that there be experts in successful entrepreneurial development who will be managing the placement of the funds and assisting companies after investments have been made. FSU's Jim Moran Center would be a logical leader for this effort.

IV. ACCESSING CREATIVE REAL ESTATE STRATEGIES

A. Assessment of the Existing Situation at Innovation Park

1. There is virtually no real private investment in the Park. Local developers perceive the market as small and the difficulty to obtain financing, particularly on leased land, to be great, especially when compared to the fee simply development at other parks.
2. Much of the building space in the park is Authority bond financed and occupied by the University or governmental entities.
3. There is very little private technology company occupancy in the Park.
4. There is almost no multi-tenant space in the Park. Thus, there is no product to be marketed except to large and strong companies which can finance their own buildings or support build-to-suit financing by a private developer. That is a very small part of the potential research park market.

B. Experience of the National Best Practice Parks

1. One of the biggest challenges to successful research park development is attracting the private capital and development interest to insure that there will be a continuing supply of multi-tenant technology building space to market.
2. The objectives of almost all of the parks is to optimize the share and amount of the building space in the park which is built by private developers. This has been achieved in most of the parks.
3. Because of financial community doubt in the small technology company market, the first few buildings often need a university or other lease of a substantial share of the space (to meet university needs) to allow the building developer to achieve financing.
4. The amount and share of university occupancy in the best practice research parks varies considerably, as to permanent occupancy, anchor occupancy, swing space etc.
5. There is growing national private real estate developer interest in building university facilities and multi-tenant space in research parks. Universities in large communities and small are issuing RFPs to attract local and national private developers.
6. A particularly challenging aspect of research park building financing involves special tenant improvements needed by technology companies. More and more, economic development grants are being achieved for these improvements.

C. Recommendations

1. **University Anchor Tenancy.** FSU and FAMU should seek to meet part of their rapidly growing building space needs by serving as anchor tenants in privately developed buildings in which substantial spec space for small and other private technology companies will also be provided.

2. **Achieve Grants and Build An Incubator in the Park.** The Authority should seek state and federal grants and build directly or through a new special purpose entity, an incubator building.
3. **Tenant Improvement Grants.** Grants or other creative financing should also be sought for a fund that provides financing for the specialized tenant improvements needed by small technology companies in incubator or other multi-tenant space.
4. **National Research Park Developer RFP.** The Authority should prepare and circulate to local, regional and national developers, a request for developer proposals to build multi-tenant buildings in the Park. This request will generate much greater response if there is an anchor tenant commitment for half or more of the space in the building. The RFP should call for the developers to propose to build a substantial amount of spec space in the proposed building for small technology companies, as well.

V. IMPROVING THE PHYSICAL PARK AND ACCESS ROUTES

A. Assessment of the Existing Situation at Innovation Park

1. An important Innovation Park strength is having roads and utilities in place for build-out.
2. There are strong technology anchors in the Park, including the National High Magnetic Field Laboratory, the FAMU-PSU College of Engineering, the Center for Advanced Power Systems, Tallia-Com Industries and others.
3. Park entrances are not attractively and effectively marked or signed and the view in does not project development success or an enticing environment.
4. The logical routes from downtown, the airport or the Interstate to the Park, do not generate the quality image which substantial tenants seek.

Innovation Park Priority Recommendations

5. Landscaping and road maintenance in the park is badly deferred.
6. There is a need for more recreational facilities and amenities to serve Park tenants.
7. There are few employee services in or near the Park.

B. Experience of the National Best Practice Parks

1. Quality entrance and wayfinding signage is an important feature of most of the best practice parks and an objective for the others.
2. The landscaping, road and total image objective of these parks is to be the highest quality business environment in town.
3. Employee recreational facilities are considered a "must" for recruiting and retaining companies. These are a part of the outdoor and indoor "networking" space system which is an important reason small and medium sized technology companies locate in parks.
4. Where the area surrounding the park does not include restaurant, retail and other service facilities, efforts are made to provide minimum level facilities, even when operating subsidies need to be provided. Some other local business parks, such as Summit East, bring these services to their tenants.
5. A number of the best practice parks attempt to create a "visual face of success" to the community and potential tenants by locating impressive park buildings near the entrances and other high traffic roads.

C. Recommendations

1. **Achieve Effective and Attractive Signage.** The Authority should complete the wayfinding study and implement its recommendations, including those in the current Authority capital plan.
2. **Quality Tenant and Employee Services and Amenities.** Create a Park employee activity and meeting center at the present Authority/park offices. Consider adding limited employee services. Where the services do not exist in the neighborhood and there is not present market to support them, the Authority may consider adding a small "concierge" contract service to help serve important tenant needs.
3. **Quality Visual Environment.** Improve the level of landscaping and road maintenance to be equal the best in town.
4. **Access Corridor Improvement.** Strongly encourage the City and County to give high priority to the Downtown/Airport access road beautification project and to tie the Park access roads into the system.
5. **New Construction at the Main Entrance.** Based on airport access road and other decisions, establish a main entrance or community face to the park and build the first multi-tenant building there and others as appropriate to generate to the community a "research park on the move" image.

VI. MARKETING THE PARK

A. Assessment of the Existing Situation at Innovation Park

- 1: There are almost no private technology tenants in the Park. Only one large, long term tenant with limited university ties.

2. Innovation Park is "in the finals" for a second private anchor with ties to the area and potential links with the Mag Lab. The Authority, City and County have put together an impressive incentive package for this company, labeled "Project North" by the EDC.
3. No dedicated marketing staff at the Park with successful marketing experience.
4. Only weak links with regional, state and corporate marketing entities.
5. Inadequate tenant relations program.
6. Park name does not communicate the strong linkage with strong universities which is important to marketing the Park.
7. Very negative internal and external press.
8. Disenchanted "community leadership marketing team."
9. Poor focus for advertising/public relations funds.
10. Not able to deliver enthusiastic and effective university involvement.

B. Experience of the National Best Practice Parks

1. All the Best Practice parks focus on the following message: "what we sell to companies is effective access to the facilities, services and faculty and students of a strong university(s)"
2. A major share of future building space demand comes from an effective tenant relations program with existing tenants.

3. Paid advertising is not thought effective, but achieving unpaid, positive press coverage, generated in local press, but often picked up by regional press, is very important.
4. Close relationships with local, regional, state and corporate marketing organizations are very important.
5. Strong park position in university communications program important.
6. Harvesting the university technology through effective incubator and technology commercialization programs is an essential component of the marketing effort.

C. Recommendations

1. **Marketing Must Be The Primary Park Staff Function.** The primary function of Innovation Park staff must be effective marketing to private companies, large and small; thus an executive director with these skills is essential and for other senior staff as well.
2. **Tenant Relations Important Component.** The tenant relations program, actions and output, should be assigned to a senior staff person who is then held accountable.
3. **Continuing Outside Public Relations Services Not Needed.** Effective Park marketing staff can handle public relations.
4. **Essential Incubator Small Company Tenant Role.** An effective incubator/technology commercialization program is an essential source of tenants. The Authority and the business community should work together to attract the financing and make this happen.
6. **Correct Serious Lack of Building Product.** As noted, marketing is being seriously retarded by the lack of a continuing supply of multi-tenant building space and this must be corrected.

Innovation Park Priority Recommendations

7. Deploying the Total ED Marketing Team. Close and formal relationships with local (EDC), regional, state and corporate marketing organizations must be established and maintained. Full financial support and clear expectations with the EDC are an important next step in this regard.

SUMMARY

Innovation Park has achieved much but it has not achieved its full potential. Carrying out the recommendations presented here will achieve that important Leon County Board of County Commissioners, LCRDA, university and community-wide objective.

Section II

SECTION II. IMMEDIATE NEXT STEPS

SECTION II. IMMEDIATE NEXT STEPS

1. **County Commissioner Approval** – Major recommendations in the consultant’s report need to be accepted and approved by the County Commissioners. Actions must be taken where it has the responsibility, and others delegated to the Authority Board for implementation.
2. **Authority Board** – The Authority Board must likewise approve the report and take those actions which come under its purview to move ahead.
3. **Expanded Board** – Appropriate actions needs to be taken to expand the Authority Board by three persons to be nominated, one by each of the three University/College presidents.
4. **FSU Real Estate Deal** – The real estate deal to solve some of the current real estate issues with FSU need to be resolved fairly and quickly by all parties so that longer term issues can be handled in a more conducive environment.
5. **Staff** – The Authority Board needs to evaluate its current staff and to make appropriate changes to fit the capabilities and experiences of its staff to implement a more aggressive Park marketing and development strategy.
6. **Interim Management** – County commissioners must take immediate responsibility to begin the implementation of the recommendations. It is their ultimate authority and responsibility. In order to coordinate and spearhead these efforts, it is recommended that a county administrator be delegated to represent their interests in implementation of the recommendations.

APPENDIX A:

**INNOVATION PARK - STRENGTHS, WEAKNESSES,
OPPORTUNITIES, AND THREATS**

**APPENDIX A – INNOVATION PARK:
STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS**

STRENGTHS

- **Awareness** – All stakeholders are motivated, paying attention, and eager to find solutions.
- **Strategic Thinking** – The Authority over the last year has engaged in strategic thinking and planning. This bodes well for future initiatives. For example, it has created a 2005 Strategic Plan as well as a Capital Improvement Program to rehab and improve older facilities.
- **Land** – Sites for development are immediately available, cleared, and debt free.
- **Infrastructure** – Infrastructure, including roads, and utilities are installed to available sites and were installed debt-free through grants.
- **Core Institutional Anchors** – The Park has a core of institutional anchors including FSU research facilities and other independent non-profits such as the Mag Lab. These activities and their related facilities provide a significant building base from which to accelerate the development of the Park. Even though the majority of the tenancy is of a non-profit nature, these institutional activities not only provide the research base and critical mass for future development, but also provide a significant economic impact that needs to be recognized by the community in terms of jobs, payroll, expenditures, etc.
- **Tenants** – There are several major tenants in the market place which, if buildings and deal structures are properly positioned, could be early successes for new development. These include the Engineering School, and the Mag Lab.
- **Universities** – Three universities/colleges are involved in Innovation Park, each with different strengths, i.e., FSU's research base and new medical school, to FAMU's Pharmacy and Business Schools, and the Community College's workforce development programs.

- **Cash** – Innovation Park has nearly \$4 million in cash available for appropriate investments as well as a positive cash flow.
- **Net worth** – Since many of the buildings were financed years ago, significant net worth has been built up from both debt reduction and appreciation in value that can be leveraged for future development activities.
- **Capital City** – Tallahassee is the State capital of Florida and, therefore, should enjoy a special consideration for potential technology grants and investments.

WEAKNESSES

- **Mission** – The current mission statement is antiquated, does not speak of a university-based technology-economic development strategy and does not motivate stakeholders.
- **Lack of Understanding** – Many of the stakeholders and leadership are not broadly familiar with technology-led economic development strategies, nor the commercialization process. In fact, there is little appreciation that the process is essentially driven by university research and intellectual capital, smart faculty and graduate students, and university policies and commitments.
- **Stakeholder Support** – There is a lack of consensus; in fact, conflicting points of view, as to the importance of the Park and its future. The same could be said about the role of the Authority as the enabling and responsible organization behind it.
- **University Support** – FSU and FAMU are much less involved in Innovation Park than the universities in the best practice park communities.
- **Start-up Space** – There is no incubator facility or multi-occupancy flexible space for start-up organizations, especially small organizations with limited financial credit.

Appendix A

- **Services** – There are almost no value-added services provided to tenants in the Park by the university stakeholders. Such services would make the Park more attractive to potential tenants and distinguish the Park from other nearby business parks that are competing with it.
- **Location and Image** – The Park has poor accessibility to major highways and its curb appeal is unattractive. Moreover, even within the Park, signage and entryways are not well marked and landscaping is unkempt.
- **Management** – There is a lack of support for the Park's management, especially with a potentially broader mission than simply real estate development.
- **Risk Adverse** – There is a perceived lack of entrepreneurialism within the Tallahassee area and a reluctance to take risks on either start-up venture based companies and/or real estate transactions which would support them.
- **Developers** – There appears to be no local developers willing and able to finance speculative space for start-up technology companies, especially those requiring special facilities and high tenant improvement allowances. Moreover, there doesn't appear to be grants available from state, federal or other sources to help fund tenant improvement allowances for such start-up ventures.
- **Venture Capital** – There appears to be limited sources of seed and venture capital for start-up ventures.
- **Use Restrictions** – There is a consensus that use restrictions for tenants in the Park are too limiting and that many appropriate organizations are being excluded from tenancy either due to concern over enabling legislation and/or legal interpretations.
- **Private Tenancy** – There is a perception that there are few private technology companies in the Tallahassee market, and those that do exist are more small lifestyle companies rather than major growth oriented firms.

- **Deal Structures** – Real estate deal structures seem to be limited for no apparent reason. Unsubordinated land leases to large users for development are the standard. There are many more creative financial public/private partnership arrangements that can be effectively employed to ensure a steady supply of multi-occupancy space at a reasonable cost.

OPPORTUNITIES

- **Mission** – There is substantial support in the stakeholders to expand the Park's mission to broader technology-based economic development strategy, and not just one of real estate development.
- **Gateway Image** – Discussion are underway within City and County government to improve the gateways from downtown to the airport that could possibly make substantial improvements to the access roads and entry points to Innovation Park.
- **Extra Land** – The Park recently acquired some additional land, approximately twenty acres, on which use restrictions may not be as stringent as this acreage is owned by the Park fee-simple, (not a part of the master lease from the state).
- **FSU** – The technology transfer program is growing and its leader has recently become President-elect of the Association of University Technology Managers which will provide ideas and access to opportunities around the country.
- **FAMU** – Its Pharmacy and Business Schools are areas of substantial strength. Moreover, there is a pending \$20 million grant involving Homeland Security that could be brought to the community with proper administrative support and lobbying.
- **Community College** – Its work development programs are expanding to include tech related jobs, many of which are needed to fill job vacancies at some of the major tenants in the Park.

- **Political** – The Authority’s Board, the Board of County Commissioners, and the Universities have direct connections to city, county, state and federal leaders which could be tapped for grant and other funding.
- **Tech Companies** – In spite of perceptions to the contrary, there appears to be a fairly large number (approximately 150) smaller technology companies that could be the base for building a larger private sector presence at the Park. To capitalize on this opportunity, however, multi-occupancy space must be readily available at reasonable rents and with the appropriate tenant improvement allowances.
- **Seed Grants** – The Authority has begun a program of innovation seed grants. Although modest, it provides a base for expanding the Park’s mission and attracting the attention of entrepreneurs.
- **Partnerships** – There are opportunities to develop a stronger technology based economic development strategy by cooperating with other local and regional partners, including the Tallahassee Tech Alliance, Chamber of Commerce, and the Economic Development Council.

THREATS

- **Support** – There is generally a lack of community-based support for the Park and how it has recently been operated from various civic enterprises and the news media.
- **FSU** – FSU has indicated a desire to withdraw from the Park and initiated action at the legislature within the past year which would have resulted in liquidating current assets and dissolving the Authority. Unless this University’s interest are better represented at the Park, there is a likelihood that additional legislative action may result.
- **FAMU** – FAMU has indicated that they would block FSU efforts to dissolve or unilaterally acquire Park assets, believing that FAMU has an equal share under current agreements.

APPENDIX B:

BEST PRACTICES AND IMPORTANT LESSONS LEARNED FOR INNOVATION PARK

APPENDIX B – BEST PRACTICES AND IMPORTANT LESSONS LEARNED FOR INNOVATION PARK

A three step approach was used to gather current and accurate data on the each of the parks listed above. First, previous work by the consultant team with these parks was reviewed. Next, each park's website was culled for latest news and happenings. Finally, telephone interviews were carried out with the park director for each of the parks to verify our findings and to engage in a Best Practices dialogue.

This appendix is divided into three sections. The first section lists the 14 comparable parks selected for this analysis and a brief description of the data points gathered for each. Section 2 presents a summary of important lessons learned from all 14 parks. The focus on these "lessons" were those that were most relevant to Leon County and the FSU/FAMU Research Park. Section 3 contains the full write-up and interview notes for each of the parks.

PART I. COMPARABLE PARKS AND KEY DATA POINTS

The listing of the 14 parks below contains both large and small schools with both large and small research expenditures. All of the parks have been at it for some time and all have had strong marketing success.

| University | Park Name |
|----------------------------------------------|---------------------------------------------|
| ➤ Iowa State University | Iowa State University Research Park |
| ➤ Mississippi State University | Mississippi Research Park |
| ➤ NC State University | Centennial Research Park |
| ➤ Ohio State University | Scitech |
| ➤ Penn State University | Innovation Park |
| ➤ Purdue University | Purdue Research Park |
| ➤ University of Arizona | UA Science and Technology Park |
| ➤ University of Illinois, Champaign-Urbana | Research Park at the University of Illinois |
| ➤ University of Kentucky | Coldstream Research Park |
| ➤ University of Missouri System, St. Charles | The Missouri Research Park |
| ➤ University of Nebraska | UNL Technology Park |
| ➤ University of New Orleans | UNO Research and Technology Park |
| ➤ University of Wisconsin-Madison | University Research Park |
| ➤ Virginia Tech | VT Corporate Research Center |

Key Data Points

For each of the parks we collected two types of data. First was to assess their marketing success and what are they up to now. Second, and perhaps more importantly, was to determine how they accomplished this success. The first set of data was given the sub-head Park Specs and Achievement. Within this topic we gathered data on the following data points:

- **Year:** What year was the park formed?
- **Acreage:** What is the total acreage and how much is still available for development?
- **Land Ownership:** Who owns the land? Who owns the land after development occurs?
- **Development to Date:** How much square foot development has occurred to date?
- **Percent of Private Space:** What percent of the space in the park is leased by private companies?
- **Planned or Under Construction:** Do they have any new space planned or under construction?
- **Incubator:** Do they have an incubator, and if so, how large is it?
- **Other Key Features:** Are there other key features we should know about?

Our investigation into Organization, Governance and Staffing is a fancy way of saying "how did they do it?". The importance here was to extract from the Best Practices the key reasons for their success and the lessons that it taught us as it relates to the Innovation Park situation. The data points for this part of the analysis are as follows:

- **Organizational Structure.** How is the park operating entity organized?
- **Approach for Building Development.** What approaches does the entity use for getting multi-tenant space built?
- **Board Appointments.** How large is the governing Board and who appoints its members?
- **Funding Sources.** What are the sources of funds for the park Entity?
- **Operating Budget.** What is the total operating budget for the park Entity?
- **Staffing.** What is the staffing for the Entity?

PART II. SUMMARY OF THE BEST PRACTICES AND LESSONS LEARNED

This summary of the Best Practices begins with an "executive summary" treatment of the park's development and key features. In the second part of this section, key lessons learned will be identified.

KEY FINDINGS

- All but one park in the survey have at least 10-years of marketing experience.
- Average total acreage is 385 with a low of 53 at Ohio State and a high of 1,345 at the University of Arizona.
- On average, 64% of the land in the comparables is available for development.
- In nearly all cases, the land is owned by the university, or it's foundation.
- Development to date in the parks averages almost 800,000 SF ranging from 147,000 SF at Nebraska to almost 2,000,000 SF in Centennial Park at NC State.
- 11 of 14 parks have a majority of their space in private company tenancy. 7 of the 11 have more than 90% private space.
- Overall space breaks down
 - University - 18.5%
 - Government - 5.0%
 - Private - 76.5%
- A majority of the parks are near or beyond break-even cash flow.
- All of the parks surveyed are run by University-related entities:
 - University/Foundation 501(c)(3) 6
 - Department of University/University system 4
 - For-profit (University-related) 3
 - Non-profit with master private developer 1

IMPORTANT LESSONS LEARNED

- Nearly all of the parks, 12 of 14, have incubators within their borders.
- Average incubator size is 42,200 SF gross, approximately 33,000 SF net.
- In all cases, the university has played an important role in tenanting the park through direct leases or technology commercialization.
- In nearly all cases, private developers have played a role in building development .
- Most parks surveyed have a professional-led staff of 5 or more.
- Four of five parks with smaller staffs receive staffing support from the host university or university foundation.
- In nearly all cases, the Park Director had a track record of successfully attracting private development to their parks.
- In all but one case, the Park staff has the primary responsibility for marketing the park, including tenant relations.

PART III. DETAILED ANALYSIS OF THE BEST PRACTICE COMPARABLES**IOWA STATE UNIVERSITY RESEARCH PARK**

The ISU Research Park Corporation was established in 1987 as a not-for-profit, independent, corporation operating under a Board of Directors appointed by Iowa State University and the ISU Foundation. The corporation manages both the Research Park and ISIS.

Park Specs and Achievement

- **Year formed:** 1987
- **Acreage-(Total/Available):** 235 /60
- **Land Ownership:** The University Foundation owns the undeveloped land in the Park. Once the land is to be used for the park, the Park Entity, a 501(c)(3) non-profit, buys the land at a pre-arranged price, now well below market value.
- **Development to Date:** 320,000 SF (200K entity)
- **Planned or Under Construction:** They are considering two new buildings. The first is a 10,000 SF pilot-scale extraction/purification plant to assist companies in ag-related industries, that are working on this technology but can't afford the high-priced equipment. The second is a private development deal that the Board is considering. Prospects for the private deal are not good.
- **Percent of Private Space:** 83.2%
- **Incubator:** Two incubators, one focused on typical business, the other on wet lab companies. Their concept is to get away from a typical, self-standing, incubator buildings. Most of their incubator tenants are scientists and researchers focused on ag-extrusion.
- **Other Key Features:** The new incubatory concept is to have "incubator" space in all five of their buildings, all access typical incubator services and most with subsidized rents. As the tenants "graduate" from the incubator program, they stay in their current space, but begin to pay market rents and fulfill any other conditions of their incubator contracts. This spreads the typical incubator loss around and allows market rate tenants to help solidify the financials of any given building.

Best Practices and Important Lessons

Organization, Governance and Staffing

Organizational Structure. The Park operating entity is a 501(c)(3) non-profit, established for the benefit of the University.

Approach to Building Development. The bulk of the development in the Park has been carried out the Park entity. They also sell land to private developers and other private entities, on occasion. Land leases are very rare in Iowa. The Research Park Entity owns and operates five buildings within the Park, private concerns own/operate 2 more. One of the two private buildings is a single-tenant building with that owner leaving the park. The park Entity is in negotiations to buy that building back.

Board Selection Process. They have a 13-member board, which can grow to 17 according to the bylaws. They feel that 13 is a good number. The Board is made up of private and public and is appointed by the University board.

Funding Sources. The majority of the operating funds come from revenues generated by the five projects owned by the entity as well as some from net land sales, after they "reimburse" the Foundation. The payment to the Foundation is based upon a previously agreed upon land value with preset "inflation". At this point, the increase in market value has outpaced the preset increases and thus the net income to the Entity. They also receive \$130K from the State which passes through the University.

Annual Operating Budget. Their total annual operating budget is \$2.5 million.

Staffing. They have a staff of 4 professional staff and 2 support personnel. The professional staff include: park president, manager of tenant relations, accounting and an assistant director, (finance and operations). The park director is also the director of the Entrepreneurial Center which has its own staff of 2 professionals. The two professionals in the EC are responsible for 1) academics and programming and 2) business development.

MISSISSIPPI RESEARCH AND TECHNOLOGY PARK – MISSISSIPPI STATE UNIVERSITY

Park Specs and Achievement

- **Year formed:** 1988
- **Acreage (Total/Available):** 220 / 10
- **Land Ownership:** County 501(c)(3) entity
- **Development to Date:** 220,000 SF
- **Planned or Under Construction:** 80,000 SF.
- **Percent of Private Space:** 19.0%
- **Incubator:** Yes
- **Other Key Features:** They have recently completed a feasibility study to open adjoining land as a Phase II development. The additional land has the potential to double the size of the park.

Organization, Governance and Staffing

Organizational Structure. The Park was developed by the Oktibbeha County Economic Development Authority (OCEDA) and is currently managed by the Greater Starkville Development Partnership as a non-profit, 501(c)(3) corporation. The land is owned by a non-university entity and the buildings are both under private and university entity ownership.

Approach for Building Development. To date, a majority of the building space is University departments needing additional facilities. There are a few private tenants, and one other public tenant but no aggressive outreach marketing effort is in place.

Board Appointments. The Board is appointed by the Oktibbeha County Economic Development Authority and includes representatives from the County, University and business community.

Funding Sources. Public funds were used in the development of the park and the financing was 100 percent from government sources. The operating funding comes from Park operations and

Best Practices and Important Lessons

the OCEDA. The Phase II development has received a \$2.6M appropriation for infrastructure and other development costs. The Mississippi delegation was integral in securing this funding.

Operating Budget. The annual operating budget for the park is in approximately \$375,000.

Staffing. The park is managed by a non-university entity with a staff of three.

NC STATE CENTENNIAL RESEARCH PARK

Park Specs and Achievement

- **Year formed:** 1984
- **Acreage:** 1,300 / 975
- **Land Ownership:** All land is owned by the University
- **Development to Date:** 2.0 million square feet
- **Planned or Under Construction:** none
- **Percent of Private Space:** 52.3%
- **Incubator:** 20,000 square feet
- **Other Key Features:** Extensive university presence in Park with 1,800 faculty, staff and post-docs, including the College of Textiles, the Engineering Graduate Research complex. More than \$35 million of funded R&D activity annually is received by university programs located at Centennial Campus.

Organization, Governance and Staffing

Organizational Structure. University department, fully part of the University.

Approaches for Building Development: Mix of university and private developers. The University owns all of the land and will lease sites to private developers, usually a 60-year lease with revision to the University. The state universities in North Carolina have an exemption against the Ohm'sman Act that allows them to lease space to private companies in a state owned

building as long as the funding was through bonding. If the funds came directly from the University system, only university departments can occupy the building.

The Trust Fund Act allows the University to retain the rental revenues from these bonded buildings to pay down the debt. They used to have to send the revenues back to the state and request appropriations to pay the mortgages.

Board Appointments. As a University department there is no unique board for the Park other than the university. The Park staff reports to the Vice Chanoellor of Research and Graduate Studies.

Funding. Because the Park operating entity is in essence a university department, their operating funding comes from the University operating budget and overhead.

Operating Budget. Although they did not have the figures available, their budget is quite small, mainly from overhead. Majority of their budget is salary.

Staffing. Centennial has a staff of nine with an Executive Director, two Partnership Directors, a Campus Property Manager, Director of Real Estate, Partner Services Specialist, Communications Officer and two Administrative Assistants.

OHIO STATE UNIVERSITY - SCITECH

Park Specs and Achievement

- **Year formed:** Ohio State has had a research park initiative for many years but little was achieved. In 1998, the effort was reinvigorated with the creation of a non profit corporation, called Scitech, to develop and operate the park.
- **Acreage (Total/Available):** 53 / 27
- **Development to Date:** 380,000 square feet of office, laboratory, manufacturing and warehouse space.

Best Practices and Important Lessons

- **Planned or Under Construction:** A large multi-tenant building is under construction.
- **Percent of Private Space:** 33.7%
- **Incubator:** Yes, managed by the independent Business Technology Center (BTC) corporation, the incubator offers 50,000 square feet of space for new high potential technology companies. It is fully occupied, including some branches of established companies, but has not forced graduations because there was not adequate multi-tenant space available in other park buildings. The incubator has received national awards.
- **Other Key Features:** Scitech built a major nanotechnology research, development and scale up manufacturing facility, MicroMD Laboratory, which has been used by a number of start-up and existing companies as well as OSU researchers. The operating concept was that university and private user charges would provide the operating budget, but the utilization level to date has not achieved this goal and the university research budget is picking up the gap. The effort has also not realized the objective of generating tenants for the research park.
- **Tenant Admission Standards.** The original park purpose was to commercialize OSU technology; all prospective tenants are expected to have a specific relationship with the university.
- **University Tenancy.** The University has buildings in the park and occupies tenant space in the park. The state super computer center and other activities are also in the park.

Organization, Governance and Staffing

Organizational Structure. Scitech is a non profit, special purpose corporation.

Board Appointments. The STC has a Board of Directors composed of civic, business, and university leaders that govern the corporation. The President of Ohio State University is the permanent chair of the Board, made up herself and twelve other members. In all, the University has five members of the board, including the President, the engineering, medical and agricultural deans and the Senior Vice President for Research. The intent is for the University to have strong representation but not control.

Approaches for Building Development. The University has provided bond financing for Scitech to renovate and build the buildings in the park. It has been the judgment of Scitech staff that they could not attract private developers and capital because the required university relationship and other "red tape" would make it difficult for a developer to obtain his financing.

Marketing Strategy. Previous staff was committed to generating tenants for the park primarily through incubation and technology commercialization, a "grow your own strategy. Seed and venture funds were formed to support this strategy, with limited financial success.

Funding Sources. Rental income from real estate and related fees and subsidies from the University, the state and the city.

Operating Budget. At present, the operating budget is quite low, because the Executive Director and other senior staff have left and have not been replaced.

Staffing. Note above, but when fully staffed, a staff of five, plus those involved in the nanotechnology center and the incubator.

PENN STATE UNIVERSITY - INNOVATION CENTER

Park Specs and Achievement

- Year formed: 1987
- Acreage (Total/Available): 118 / 60
- Development to Date: 750,000
- Planned or Under Construction: None, but talks with a developer are underway
- Percent of Private Space: 35.5%
- Incubator: 30,000 SF
- Other Key Features: Hotel and conference center, day care facility

Best Practices and Important Lessons

Organization, Governance and Staffing

Organizational Structure. For-profit park operating entity, Research Park Management Corporation (RPMC).

Approaches for Building Development. Mostly private developer leasing land. 60-year leases with revision. The land is owned by the university and leased through a development agreement with the RPMC to private developers. The university has several buildings on the park campus but that space is not available to private tenants.

Board Appointments. The Board of 10 is made up of 5 senior members of the Penn State University administration and 5 members from the Penn State University Board of Trustees. All 10 members are in "named seats" and there are no term limits. The RPMC by-laws specifically name the positions with the University and Board that are assigned to the park board. The individuals serve as long as they hold the named position.

Funding. Although the long term goal is to be self-sufficient through the private land lease revenues, the current funding stream for the RPMC comes from the University.

Operating Budget. The current annual budget is \$200,000. However, all university departments are on notice to reduce their budgets for the coming fiscal year. The park director does not have a feeling as to what the lower budget might be.

Staffing. There is a staff of two, with an Executive Director and administrative assistant. Both staff positions are University employees, contracted to the RPMC.

PURDUE UNIVERSITY RESEARCH PARK

The Purdue Research Park consists of over one million built square feet on 140 acres. The Purdue Park is the only park in the analysis in which 100 percent of the space is privately occupied. Currently there are over 2,200 employed in park companies. This number could

nearly quadruple when the park reaches full build-out in 2027 with an additional 4 million square feet of space. Based on when the park had space available for lease, the average annual private space absorption for the Purdue Research Park is 35,000 square feet.

Park Specs and Achievement

- **Year formed:** 1961
- **Acreage (Total/Available):** 650 / 436
- **Development to Date:** 1,023,000 (865,000 occupied)
- **Planned or Under Construction:**
- **Percent of Private Space:** 100.0%
- **Approaches for Building Development:**
- **Incubator: Yes, Started in 1993 in 28,000 sf flex building; grew to 28 companies in basic space with some common facilities and modest value added services; 1995-97 with concept proven, grew program and staffed up with first full time director in 1998; 1999 opened 60,000 sf; established Purdue Greenways program modeled after Bob Meder's program in Pittsburgh; involves intensive high level of counseling, coaching, and mentoring, much of it by volunteers; each tenant gets up to 400 hours; next building was 48,000 Innovation Center, one 20,000 sf anchor and the balance for larger incubator tenants, 50 percent labs and growing to 75 percent labs; in 2001 private developer built 73,000 sf and added a 50,000 sf expansion of the 60,000 sf 2nd stage of building; both approx 50 percent labs**

Organization, Governance and Staffing

Organizational Structure. All three under 501(c)3 Foundation legally; The park director manages both research park and incubator. Development of the park is one of the activities of the Purdue Research Foundation.

Board Makeup and Selection Process. Foundation Board governs the development of the Park.

Best Practices and Important Lessons

Funding Sources. University Foundation originally. The Park operation has achieved break-even.

Operating Budget. Within the Foundation's budget.

Staffing. The Purdue Research Park is run by the staff of the Purdue Research Foundation. The Foundation has a staff of over 50.

UNIVERSITY OF ARIZONA SCIENCE AND TECHNOLOGY PARK

The Park is located at southern fringe of Tucson urbanized area, about a 25-minute drive from the university campus. The park is anticipated to be a mixed-use, large scale park anchored by the technology companies. 30 companies and 6,000 employees on site.

Park Specs and Achievement

- **Year formed:** Built by IBM-1978, Purchase as research park in 1994
- **Acreage (Total/Available):** 1,345 / 1,000
- **Land Ownership:** University of Arizona, acquired in favorable purchase of existing IBM complex.
- **Development to Date:** 1.3M SF
- **Planned or Under Construction:** 77,000 SF building just completed.
- **Percent of Private Space:** 97.7%
- **Incubator:** Yes. University of Arizona Incubator
- **Other Key Features:** IBM still has facilities in the park and their lease payments are used to buy down the purchase debt.

Organization, Governante and Staffing

Organizational Structure, The Park development and operations is under the Vice Chantellor for Economic Development at the University and is developed by his staff

Approach to Building Development: (public, private): Original space was purchased as a part of the package from IBM. More recently, the University has developed the space

Board Selection Process. Board of the University serves as entity board.

Funding Sources. Funded by university bonds and retired by IBM lease payments.

Annual Operating Budget. Over \$1,000,000.

Staffing. University staff of five.

UNIVERSITY OF ILLINOIS, CHAMPAIGN-URBANA

The University of Illinois at Champaign-Urbana has two locations. The main area is at the south end of the campus on a part that was previously ag land and adjacent to the School of Agriculture. There is a second part in the north campus in a largely built up area, adjacent to the engineering school and super-computer program where a limited amount of land and building space is available. The community is a free-standing college town with a population of 185,000 and is approximately 2 ½ hours from Chicago.

Park Specs and Achievement

- **Year formed:**
- **Acreage (Total/Available):** 200+, additional University Ag land that could be drawn down as additional land is needed.
- **Land Ownership:** University owned and sold to private developer upon development.
- **Development to Date:** 314,000 SF
- **Planned or Under Construction:** none
- **Percent of Private Space:** 90.4%
- **Approach to Building Development:** The development of the buildings in the park is carried out by a master developer under a master development agreement with the University. There is a development plan, development regulation and development

agreement approved by the University trustees and signed by the University and the master developer..

- **Incubator:** Yes, 43,000 business incubator, The Enterprise Works, which has 30 start up companies employing 220. The incubator has a mgmt staff and provides a full range of support services to its tenants.
- **Other Key Features:** The University is a very strong research university with nearly \$500 million in research expenditures in 2003, (the most current NSF listing). As a part of the total, has one of the strongest engineering schools and one of the strongest super-computer programs in the country and emerging strength in life sciences.

Organization, Governance and Staffing

Organizational Structure. University 501(c)(3) and master private developer

Board Selection Process. The University of Illinois Board serves as the overriding board of the park approving all private developer issues.

Funding Sources. University funds infrastructure and private developer builds the buildings

Annual Operating Budget. The master developer carries out the development of the park. Minimal since the private developer develops the park

Staffing. One university staff supports the effort. The private developer staff is unknown. University is planning on hiring a marketing director to work with the master developer to further market the park. At present, the director and staff of the Enterprise Works incubator, who are University employees, also represent the University's interest in administering the University's position in the master development agreement

UK COLDSTREAM RESEARCH CAMPUS

Park Specs and Achievement

- Year formed: 1990
- Acreage (Total/Available): 735 / 350
- Land Ownership The University owns the land
- Development to Date: 577,000 SF
- Planned or Under Construction: 25,000 SF and 3 land leases signed with projects in design that total another 370,000 sf. One of the land leases does have a cancellation provision, and that project represents 300,000 of the 370,000.
- Percent of Private Space: 96.5%
- Incubator: no
- Other Key Features:

Organization, Governance and Staffing

Organizational Structure. Coldstream is operated as a department under the office of Research and Economic Development

Approach to Building Development: The University maintains ownership of the land. They have long term ground leases (75 to 108 years is currently the range). The Park Entity does not develop directly, however, they have acquired one large facility to convert to multi-tenant use. In addition, the Park Director is also the President of Kentucky Technology Incorporated (KTI, a for-profit subsidiary of the Research Foundation. KTI does develop and own small buildings with speculative lab space. They also invest in start-ups

Board Selection Process. Coldstream does not have its own board, however, KTI does. Nine members (five are private sector) and the park director is a member of the Board. They are appointed by the Research Foundation

Funding Sources. Exclusively from land lease revenues.

Annual Operating Budget. Coldstream has an annual operating budget of about \$520,000. The facility they recently acquired will probably produce \$100K/ year.

Staffing. The park director has an assistant and an operating manager (he is employed by KTI). They also have three part-time undergraduate interns. The Business manager in the Research and Economic Development Office handles the finances and the Park Entity utilizes the University attorney for real estate issues, and the marketing group in Research and external vendors to handle their publications, web site. Etc.

MISSOURI RESEARCH PARK, ST. CHARLES

Owned and managed by the University of Missouri System, the Missouri Research Park officially opened in 1985. Today, more than 130 acres of land in the park are developed for high-tech and research facilities, and 15 tenant companies employ more than 1,820 people within the park.

Park Specs and Achievement

- **Year formed:** 1989
- **Acreage (Total/Available):** 700 gross, 200 net, 20 available
- **Land Ownership: (University, Private, Foundation):** All land is owned by the University System. All development is done via pre-paid land lease by private developers.
- **Development to Date:** 1,220,000 SF
- **Planned or Under Construction:** 80,000 SF
- **Percent of Private Space:** 95.0%
- **Incubator:** no
- **Other Key Features:** One key to their success is the use of the pre-paid, 99-year leases. The private developer pays market rate for the site, in full, as if purchasing it outright. The fee-simple ownership stays with the University System, which cannot subordinate the land against the lease. The developer's lease-hold interest takes on full collateral value. The 99-year lease works because there is no residual "value"

Organization, Governance and Staffing

Organizational Structure. The park entity is a unit of the University System and answers to the Vice President for Finance and Research.

Approach to Building Development: Private developer lease the land on 99-year pre-paid leases and develop and market their buildings. The Park entity prepares and markets the land through the private brokerage community. The University System maintains ownership of common area, jogging trails, lakes

Board Selection Process. The University of Missouri System Board is their Board as well.

Funding Sources. They are now self-sufficient. They started with a \$4.2M seed grant for road infrastructure and later received an additional \$6M from the State/University for more infrastructure improvements.

Annual Operating Budget. The total operating budget is \$500K, of which \$350K is for the operation of the Park. The balance is used on other projects including the Fort Leonard Wood project.

Staffing. The Park entity has a staff of three with an Executive Director, administrative assistant and 2/3's time admin. They utilize the University System facilities staff as needed at no charge.

UNIVERSITY OF NEBRASKA, LINCOLN, TECHNOLOGY PARK

Park Specs and Achievement

- **Year formed:** 1996
- **Acreage (Total/Available):** 137 / 91
- **Land Ownership:** Land was "banked" years before the park opened by the University Foundation. The University itself has no land holdings in the Park.
- **Development to Date:** 147,000 SF

Best Practices and Important Lessons

- **Planned or Under Construction:** 15,000 SF Multi-tenant building under consideration (private)
- **Percent of Private Space:** 100.0%
- **Incubator:** yes, the total GSF is 22,000, but the building houses the Park Entity as well. They have 9,000 rental SF for incubator tenants, of which 5,000 SF is general office and 4,000 SF is wet lab. They are planning to add another 4,000 SF of wet lab space.
- **Other Key Features:**

Organization, Governance and Staffing

Organizational Structure. The Park operating entity is a for-profit single member LLC with that single member being the University Foundation. This arrangement keeps the Park development at arms-length from both the University and the Foundation while allowing the Entity to invest in its clients/tenants as well as co-development of properties.

Approach to Building Development: The strong preference is to have private developers carry out building development. The entity did one building, then quickly sold it to a private concern. The model is to use 60-year renewable land leases based on current value. The renewal would be negotiated at the end of the first term based on amount of land lease paid to date vs the value of the land.

Board Selection Process. The "Board" is an executive committee of the LLC, made up of 15 individuals appointed by the University Foundation Board of Trustees, including 4 ex-officio members with voting rights). The ex-officio members are: Vice Chancellor of Research at Lincoln, Vice President of External Affairs for the University System, Director of Economic Development for the State of Nebraska, and the President of the Lincoln Chamber of Commerce.

Funding Sources. The primary funding source is revenues generated from the land leases. The University Foundation supplements that to cover the operation budget. The agreement is that this "coverage" is a loan to the Entity that needs to be paid back at the end of 30 years.

Additional funding leverage comes from the land purchase vs. present value. The Entity purchase the 137 acres for \$120K, or \$875/acre. The land was just appraised at \$108,000/acre.

Annual Operating Budget. The annual operating budget is \$957,000.

Staffing. The Entity has a full-time staff of 2 with 3 interns. They also receive staff support from the University Foundation on legal, HR and communications.

UNIVERSITY OF NEW ORLEANS RESEARCH PARK

Park Specs and Achievement

- **Year formed:** 1998
- **Acreage (Total/Available):** 30 / 15
- **Land Ownership:** University owned purchased from the Levee Board
- **Development to Date:** 584,000 SF
- **Planned or Under Construction:** Planning has begun on a second phase of the park
- **Percent of Private Space:** 18.0%
- **Incubator:** yes, as a part of CERM
- **Other Key Features:** Park location on the lake front directly adjacent to the university.

Organization, Governance and Staffing

Organizational Structure. Carried out by UNO research foundation.

Approach to Building Development: (public, private): Federal grants achieved to build an energy research center with conference center and incubator components. Buildings to house federal contractor firms for the naval accounting center were privately financed. The multi-tenant building was privately financed by developed by the foundation.

Board Selection Process. UNO Board is appointed by the Chancellor of university

Best Practices and Important Lessons

Funding Sources. Operating income from land leases and other park revenues. Shortfalls are covered by the University.

Annual Operating Budget. Part of the university budget.

Staffing. Park staff of five.

UNIVERSITY OF WISCONSIN-MADISON, UNIVERSITY RESEARCH PARK

University Research Park is a world class research and technology park, whose primary mission is to encourage partnerships between businesses and university researchers. Located 3 miles west of the University of Wisconsin-Madison campus, the University Research Park is the home of 107 companies employing nearly 4,000 people.

Park Specs and Achievement

- **Year formed:** 1984
- **Acreage (Total/Available):** 351 / 26
- **Land Ownership:** University owns the land. Once the land is put in play, it is sold to the Park entity, that then preps it for it's on use, or for a land-lease to a private developer.
- **Development to Date:** 1.5 M SF
- **Planned or Under Construction:** The park is planning a 20-acre expansion adjacent to the existing park. There is also a Phase II park, to be located 2- miles away, that will encompass 250 acres. The first phase of that development will come on-line in 2008 with 115 acres.
- **Percent of Private Space:** 90.3%
- **Incubator:** yes, MGE Innovation Center, 113,000 SF total, 50,000 SF for start-up company tenants. The plan is to increase the amount of space in the MGE center for start-up companies by 20K SF for a total of 70,000 SF
- **Other Key Features:** All park tenants must have some relationship with the University, although "relationship" is defined loosely. For instance, a company that employs a high

percentage of it's people in engineering-related fields and has a willingness to hire UW students and grads would be expectable.

Organization, Governance and Staffing

Organizational Structure. A separate private, non-profit entity was created "for the benefit of the University" to operate the park. The entity is a 501(c)(3).

Approach to Building Development. The park entity has developed approximately 1/3 of the space, private developers on land leases have developed 1/3 of the space and the University has developed the remaining 1/3 of space. The park entity has developed 500,000 square feet

Board Selection Process. The Board has three assigned seats, Chancellor of UW-M and chair of the Board, one member from the Board of Regents and one member from the Alumni Research Foundation. The other 8 members were originally selected by the Chancellor. The Board is now self-selects replacement members as needed, except for the three assignments.

Funding Sources. The funding for park operations comes largely from the revenues of the park operation, both rental of built space as well as land leases. Some program revenue comes from the University, primarily to support the university facilities in the park, but its fairly light.

Annual Operating Budget. The annual operating budget for the Park, and incubator, is \$10.5 million.

Staffing. The Park entity has a full time staff of six and a few part timers, one of which is in the MGE center.

VIRGINIA TECH CORPORATE RESEARCH CENTER

Park Specs and Achievement

- **Year formed:** 1985
- **Acreage (Total/Available):** 120 / 27
- **Development to Date:** 675,000 SF (19 buildings with 130 tenants and 1,830 employees)
- **Planned or Under Construction:** 70,000 SF, and an option on another 6,000 SF
- **Percent of Private Space:** 58.2%
- **Incubator:** Yes, opening this year is the VT KnowledgeWorks, a 45,000 SF incubator. They currently have 17 virtual tenants, 6 of whom are moving in once the building opens. The project cost was \$6 million with \$4 million coming from a larger bond that included a number of university buildings and \$2 million from the EDA.
- **Other Key Features:** The CRC and the Foundation have an aggressive funding approach for start-up companies.
 - **Pre-seed.** This money is at the discretion of the CRC and is intended to help entrepreneurs still in the "flashing out" stage with business planning, logo and website design, IP work, etc. The amounts granted are in the few thousands.
 - **Seed.** Again the CRC controls this funding source, but their board has to approve of any funding. These funds are in the tens of thousands and the CRC/Foundation usually takes an equity stake in the company as well.
 - **Early Stage.** This \$15M fund is for companies that are looking for hundred's of thousands. 3M Securities and Corillian are members of this fund
 - **VT Venture Capital.** Va Tech invests in a number of venture funds with the agreement that they give Va Tech entrepreneurs a fair shot at funding. These disbursements are in the \$1-5M range.
 - **Super Investments.** VT and the CRC are tied into a major coalition of investors that consider funding in the \$10-\$50M range.

Organization, Governance and Staffing

Organizational Structure. The Virginia Tech CRC development entity is a for-profit corporation. The land is owned by a university entity and the buildings are both under private and university entity ownership.

Approaches for Building Development: All of the land in the park is owned by the CRC. Buildings are developed by the CRC, VT Foundation, and private developers. Because all three are private for-profit entities, there are no restrictions on private tenants in university buildings. For the private developer deals, the land is leased at market rates. They currently charge about 5 times that of industrial park land. They struggle with how much to charge since there are no comparable sites in the area to work from and land leases based on Raleigh or Charlottesville aren't defensible either

Board Appointments. The CRC board is appointed by the VT Foundation Board. Half of the Board members are senior level administrators/deans of the University, and the other half are presidents of local companies, most with a "friends or family" relationship with the University. Only one of the private board members is located in the park. The only conflict between the two sides of the Board is with respect to pace of development.

Funding. The CRC received an initial grant of \$600,000 to get the effort underway at the very beginning. Since that time, all the buildings have been built and financed by the CRC, VT Foundation or private developers, all without any public money or subsidy. The KnowledgeWorks incubator received a \$2 million EDA grant and the Foundation put up the other \$4 million.

Operating Budget. The annual operating budget for the park is approximately \$6,000,000.

Staffing. The park is managed by a non-university entity with a staff of seven. The recently hired incubator manager is part of the CRC team.

APPENDIX C

**APPENDIX C:
FLORIDA RESEARCH AND TECHNOLOGY PARKS**

APPENDIX C

APPENDIX C – FLORIDA RESEARCH AND TECHNOLOGY PARKS

- Central Florida Research Park, Orlando
- First Coast Technology Park, Jacksonville
- Florida Atlantic Research Park, Boca Raton
- Florida Gulf Coast Technology and Research Park, Ft. Myers
- Progress Corporate Park, (University of Florida) Alachua
- University of South Florida Research Park
- International Space Research Park
- Embry-Riddle Aeronautical University Research Park

Central Florida Research Park, Orlando

The Research Park consists of more than 1,000 acres, over 50 buildings and 3.2 million square feet of space and is home to more than 100 companies in simulation and training, lasers, optical filters, behavioral sciences, diagnostic test equipment, and oceanographic equipment. Over 10,000 9500 work in the park at present.

Tenant-Generating Anchors. The Central Florida Research Park has had impressive marketing success very much related to military research and development centers in simulation and related software development located in the park, and the direct and indirect contractors to these federal centers, as well as the high perceived quality of life in the Orlando community. Over time, the University of Central Florida, with its understandable focus in the software development and application field has become an important anchor as well. In 2002, Central Florida University had over 66 million dollars in annual research expenditures, with the strongest activity in the diversified-computer and software field. There has been impressive growth since. Important anchors in the park include the University's Institute for Simulation and Training and federal activities at the Navel Warfare Center Training Systems Division and the Army Simulation, Training and Instrumentation Command. Over \$700 million in federal contracts is granted by the navy and the army each year.

Location and Site Characteristics. The Central Florida Park is located in a high quality sector of the Orlando community, has direct expressway access and houses the major federal and university research anchors.

FLORIDA PARKS

Governance, Organization and Staffing. The Park is a cooperative effort between the University of Central Florida, the Orange County Research and Development Authority (which governs and operates the park) and the Orange County Board of County Commissioners (who appoint the members of the Authority). The Authority has a long and successful operating history. There are nine members on the board whom are appointed for one or maximum two four year terms and terms are staggered. There are two university representatives, one member of the Board of County Commissioners and six appointed from the community. There is an informal strategy of having a diversity of professional expertise represented on the board, while achieving other criteria. Candidates for the Authority Board, and other boards in the county, are screened and nominated by a "membership and mission review board." The staff of the Authority is made up of the Executive Director and an administrator, with all other services obtained on an as needed contract basis.

Marketing Strategy. Much of the outreach marketing is achieved by the Park Executive Director working closely with regional and state marketing agencies and local real estate brokers, particularly those with national networks. The park marketing focuses on its legislative intent of "To encourage and promote the establishment of research and development activity combining the resources of institutions of higher learning, private sector enterprises involved in applied or pure research and state or federal government research." Businesses which desire a "university relationship" can purchase or lease land in the Research Park on which to construct a facility or can lease space for office, office/lab, or light manufacturing activities.

Multi-tenant and Total Building Product. With such a strong market, and location within the market, the Authority in the Central Florida park has been able to rely on the private development industry to build the multi-tenant, spec and build-to-suit space components of the total of 3.2 million square feet in the park.

Implications for the Innovation Park. There are many: 1) the strength of the location in the state and within the urban area and the strength of the anchors needed to attract tenants are important determinants of potential success; 2) a large staff is not needed, but an experienced and

APPENDIX C

skilled small staff is essential; and 3) the research and development authority form of governance is can provide strong leadership to a successful park effort.

First Coast Technology Park, Jacksonville

The 284-acre commerce center borders the eastern edge of the University of North Florida (UNF) campus near I-95. It is operated by the Duval County Research and Development Authority and maintains a unique relationship with UNF. It is home large corporations such as America Online and ADP Security Services. Because of it's lack of success, and growth concerns of UNF, the park is to be closed.

According to the Park director, the park has always struggled. "It was envisioned as a true research park, but Jacksonville is not really a 'research' city." The University of North Florida has a new engineering program with no graduate degree programs, no medical school or other programs that typically help support a research park. The research park authority is selling the property to UNF because UNF wants the land for future expansion. Since the land for the park was donated for the purpose of benefiting the university, it seemed sensible to sell them the land.

Florida Atlantic Research Park, Boca Raton

The Research Park is situated at the north end of the Florida Atlantic University (FAU) campus on 52 acres of land. Florida Atlantic University (FAU) formed the Florida Atlantic Research and Development Authority in 1985 with the support of the Broward and Palm Beach county commissions. Research Park partners are able to interact with the university community and take advantage of its facilities and expertise.

FLORIDA PARKS

Florida Gulf Coast Technology and Research Park, Ft. Myers

The new 19.3-acre planned unit development in Collier County is a public-private partnership of Florida Gulf Coast University, Alanda, Ltd., and the Economic Development Council of Lee County. The Park is located near I-75, Southwest Florida International Airport and Florida Gulf Coast University (FGCU). FGCU's College of Business will move its Small Business Center and its Center for Leadership and Innovation to the site.

International Space Research Park (ISRP), Cape Canaveral

The Park, built by NASA and the State of Florida, is to be located on 400 acres of NASA's John F. Kennedy Space Center, the world's premiere spaceport for space science, exploration and extraterrestrial development. Companies wishing to engage in or support research and technology, space product development, or commercialized space services, are invited to consider locating their laboratories and offices in the Park.

The following steps have been completed for the project: An Urban Land Institute Study on the feasibility of the park; Memo of Understanding between NASA/KSC and Florida Space Agency outlining the basic responsibilities of each entity; a preliminary stormwater study and plan, selecting the preferred site; a draft Land Use Agreement (currently at NASA headquarters for review); and the business and finance plans for development of the park are being updated; the Environmental Impact Statement has been completed with the Record of Decision in final coordination; codes, covenants and restrictions are almost completed; and utility planning is underway. ISRP queried their customers following the Columbia tragedy and there is currently no significant impact on their desire to locate in the ISRP pending shuttle return to flight.

The Florida Space Authority and the State have already made a significant investment of \$50 million to construct the Space Life Sciences Lab and the access road to the ISRP, Space Commerce Way. In addition, the Authority will spend close to \$1 million for planning and permitting in order to have the Park ready for private developer(s) to invest and operate. Budget

APPENDIX C

requests for FY 05-06 will be submitted during the upcoming legislative session with commercial developers assuming the majority of the financial burden.

Progress Corporate Park, Alachua

Progress Corporate Park has evolved from its original "Research Park" program to more of a typical real estate development. Early on, there were attempts made to partner with the University of Florida (UF) in which UF would place programs at the park and provide incentives to private industry to locate within the park to work hand in hand with UF researchers. The intent was to support spin off companies until such time a revenue stream could support them. The Park is located 12 miles north-north-west of the University and Gainesville in Alachua County.

With numerous changes of the guard at UF over the years there has never been a real marriage made between UF and the Park. Now there are a few UF activities at the park such as the Sid Martin Biotechnology Development Institute and the Center of Excellence. However, these entities are pretty much stand alone and are not necessarily the driving force behind all of the private growth in the park.

Progress Corporate Park is and always has been a privately owned real estate development. Therefore they have not functioned under an Authority. The owner/ developer has always been responsible for the purchase of the property and the installation of all of the infrastructure. The developer still owns one multi-tenant building and approximately 98 acres of undeveloped property.

There are 13 building located in the Park, all of which have individual owners, (4 are owned by UF). There is a Owner's Association which is now responsible for the common entrances and drainage system. The current developer is mostly interested in site development and sales rather than building buildings.

The Park is approaching the critical mass of workers to attract commercial/service activity such as hotels, and restaurants.

The City of Alachua is extremely supportive of the park activity. They have supported prospects of the park and have offered incentives by sponsoring grants, etc. to help fund new activity based on job creation and other economic indicators.

University of South Florida Research Park, Tampa

Foundation Developed. This park is being developed by the University Research Foundation and not by a county research and development authority. After a number of years of limited research park development success, new University and Research Foundation leadership has achieved what is in effect a re-birth of this research park in 2004. There had been relatively low university priority prior to that time.

The Foundation has a Board of twelve appointed by the President and intended to be evenly divided between the University and the business community.

Research Base. The USF Research Park at Tampa Bay is located directly adjacent to the campus and now includes over 100 acres. It houses University, University-related and private research and development entities, attracted and integrated with the strong life sciences (134 million dollars in research expenditures in 2002) and total (198 million dollars in research expenditures in 2002 and the University reports over 250 million currently). Tampa is a strong technology market.

Park Size and Present Development. There is presently approximately 600,000 square feet of building space in the research park, with approximately half of it occupied by private companies and entities and the remainder by the University. The plan is to about double (DRI approved) the total square footage and substantially reduce the University occupancy.

APPENDIX C

Incubator Open. Recently completed are: the 100,000 Business Partnership Building, which includes the 33,000 square foot Tampa Bay Technology Incubator and other wet lab and dry lab space for private companies; and a 130,000 square foot Interdisciplinary Research Building. The incubator has attracted strong tenant interest. These buildings are largely financed with University bonds.

The tenants in the park will be able to access the "USF Connect" program, modeled after a similar effort in San Diego, which will provide a single point of access for businesses to the many resources offered by the University.

Tenant Criteria. Staff reports that they seek a university relationship from prospective tenants but take a "liberal" interpretation of the requirement.

Park Staffing. The park development is being managed by Dr. Rod Casto, the Vice Chancellor for Economic Development and a small staff. Regional and state marketing agencies are important marketing partners.

Embry-Riddle Aeronautical University Research Park

At the writing of this report, the Embry-Riddle Aeronautical University (ERAU) Research Park was finalizing land acquisition and still in the planning stages. ERAU has just completed an important land swap with Volusia County that allows them to add almost 13 acres to the proposed aeronautical research park on Clyde Morris Boulevard and Aviation Parkway adjacent to the airport. This acquisition brings the total acreage available for Park development up to 140 acres.

"This acquisition is a signal to the stakeholders (the City of Daytona Beach and the county) and the community that Embry-Riddle is committed to the research park concept," said John Metzner, Embry-Riddle's vice president of External Relations. "Completing this transaction means that we are now in the position to move forward with our development plans for the full

FLORIDA PARKS

140-acre research park, including the lands identified and owned by other stakeholders as part of this vital economic development project.”

Embry-Riddle paid about \$1.3 million for the Big Tree and Nova property before swapping the almost 30 acres for the nearly 13 acres adjacent to the airport. Daytona Beach International Airport and Volusia County have issued letters of intent, planning to extend the Sierra taxiway into the land now owned by Embry-Riddle when the school board relocates to its new site in about three years.

APPENDIX D: INTERVIEW LIST

APPENDIX D – INTERVIEW LIST

- Parwez Alam, County Administrator, Leon County
- George Banks, Manager, Summit East Technology Park
- Thomas A. Barron, President, Capital City Bank and Authority Board Member
- Dr. Castell V. Bryant, President, FAMU
- Michael Coburn, President, TallaTech, (Major park tenant)
- Brad Day, Tallahassee Economic Development Council
- Sue Dick, President, Greater Tallahassee Chamber of Commerce
- Ray Eaton, Chairman, Leon County Research and Development Authority
- Erin Ennis, Vice President, Finance and Administration, St. Joe Land Company
- John Fleming and Jeidi Otway, Herle Communications
- John Fraser, Director, Tech Transfer Office, FSU
- Dr. Rose Glee, FAMU Tech Transfer
- Chip Hartung, Avalanche Partners and Caldwell banker
- Lee Hinkle, Vice President for University Relations, FSU
- Kirby Kemper, Vice President for Research, FSU
- Dr. Bill Law, President, Tallahassee Community College
- Vince Long, Assistant County Administrator, Leon County
- Elliott Messer, Attorney for the LCRDA
- Linda Nichol森, Director, Innovation Park
- Jerry Osteryoung, Jim Moran Entrepreneurial Center, FSU
- Rob Palmer, Strategic and Physical Planner to the LCRDA
- Ben Pingree, Assistant to the County Administrator, Leon County
- Joe Sanders, Sanders Sanders and Holloway, Auditor for the LCRDA
- Jack Sams, Senior Licensing Manager, Technology Transfer, FSU
- Cmr. Jane Sauls, County Commission Office
- Clif Thaeil, Chair of County Commission
- Dr. T.K. Wetherell, President, FSU
- Group of LCRDA Members

AGREEMENT

THIS AGREEMENT dated the 14th day of June 2005, by and between LEON COUNTY, a charter county and a political subdivision of the State of Florida, with their principal offices located at 301 South Monroe Street, Tallahassee, FL 32301, hereinafter referred to as the "County" and GEORGE HENRY GEORGE PARTNERS with their principal offices at 1038 Dead Run Drive, McLean, Virginia 22101 hereinafter referred to as the "Contractor."

WITNESSETH

WHEREAS, the County has determined that it would be in the best interest of the citizens of Leon County, Florida, that the County be able to utilize the services of private persons when such services cannot be reasonably provided by the County; and

WHEREAS, the County has determined that it would be better to contract for these services than to hire the necessary personnel to satisfy the needs of the County.

NOW, THEREFORE, in consideration of the following mutual promises, the sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

1. **SERVICES TO BE PROVIDED**

- A. The Contractor shall provide consulting services to the County in accordance with the Letter of Proposal, hereinafter Exhibit A, incorporated into this Agreement and made a part hereof as if fully set forth herein.
- B. Conflicts between this Agreement and Exhibit A shall be resolved in the following precedential order:
 - 1. Agreement by and between Leon County and George Henry George Partners.
 - 2. Exhibit A.

2. **WORK**

Any work to be performed shall be upon the written request of the County Administrator or his designee, which request shall set forth the commencing date of such work and the time within which such work shall be completed.

The performance of Leon County of any of its obligations under Agreement shall be subject to and contingent upon the availability of funds lawfully expendable for the purposes of the Agreement for the current and any future periods provided for within the bid specifications.

3. TIME

The Agreement shall be for a period of one hundred twenty (120) days, commencing on June 14, 2005. Permitting the Contractor to continue and finish the work or any part of it after the expiration of the contract time allowed, including extensions, if any, shall in no way act as a waiver on the part of County of any legal remedies available to the County.

4. CONTRACT SUM AND PAYMENTS

The Contractor agrees that for the performance of the Services To Be Provided, as outlined above in Section 1, it shall be remunerated by the County in the amount of \$25,000 on completion of the work and acceptance by the County as satisfactory. The County shall make such payments within thirty (30) days of submission and approval of invoice for services.

5. STATUS

The Contractor at all times relevant to this Agreement shall be an independent contractor and in no event shall the Contractor nor any employees or sub-contractors under it be considered to be employees of Leon County.

6. INSURANCE

The Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors. The cost of such insurance shall be included in the Contractor's bid.

A. Minimum Limits of Insurance. Contractor shall maintain limits no less than:

1. General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage. (Non-owned, Hired Car).
3. Workers' Compensation and Employers Liability: Insurance covering all employees meeting Statutory Limits in compliance with the applicable state and federal laws and Employer's Liability with a limit of \$500,000 per accident, \$500,000 disease policy limit, \$500,000 disease each employee. Waiver of Subrogation in lieu of Additional Insured will suffice.

B. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the County. At the option of the County, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

C. Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages (County is to be named as Additional Insured).

- a. The County, its officers, officials, employees and volunteers are to be covered as insureds as respects; liability arising out of activities performed by or on behalf of the Contractor, including the insured's general supervision of the Contractor; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protections afforded the County, its officers, officials, employees or volunteers.
- b. The Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance of self-insurance maintained by the County, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the county, its officers, officials, employees or volunteers.
- d. The Contractor's insurance shall apply separately to each insured against whom claims are made or suit is brought, except with respect to the limits of the insurer's liability.

2. All Coverages

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the County.

- D. Acceptability of Insurers. Insurance is to be placed with insurers with a Best's rating of no less than A:VII.
- E. Verification of Coverage. Contractor shall furnish the County with certificates of insurance and with original endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the County before work commences. The County reserves the right to require complete, certified copies of all required insurance policies at any time.
- F. Subcontractors. Contractors shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

7. LICENSES

The Contractor shall be responsible for obtaining and maintaining his city or county occupational license and any licenses required pursuant to the laws of Leon County, the City of Tallahassee, or the State of Florida. Should the Contractor, by reason of revocation, failure to renew, or any other reason, fail to maintain his license to operate, the contractor shall be in default as of the date such license is lost.

8. ASSIGNMENTS

This Agreement shall not be assigned or sublet as a whole or in part without the prior written consent of the County nor shall the Contractor assign any monies due or to become due to him hereunder without the previous written consent of the County.

9. HOLD HARMLESS

The Contractor agrees to indemnify and hold harmless the County from all claims, damages, liabilities, or suits of any nature whatsoever arising out of, because of, or due to the breach of this Agreement by the Contractor, its delegates, agents or employees, or due to any act or occurrence of omission or commission of the Contractor, including but not limited to costs and a reasonable attorney's fee. The County may, at its sole option, defend itself or allow the Contractor to provide the defense. The Contractor acknowledges that ten dollars (\$10.00) of the amount paid to the Contractor is sufficient consideration for the Contractor's indemnification of the County.

10. AUDITS, RECORDS, AND RECORDS RETENTION

The Contractor agrees:

- a. To establish and maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting procedures and practices, which sufficiently and properly reflect all revenues and expenditures of funds provided by the County under this Agreement.
- b. To retain all client records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to this Agreement for a period of five (5) years after termination of the Agreement, or if an audit has been initiated and audit findings have not been resolved at the end of five (5) years, the records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of this Agreement.
- c. Upon completion or termination of the Agreement and at the request of the County, the Contractor will cooperate with the County to facilitate the duplication and transfer of any said records or documents during the required retention period as specified in paragraph 1 above.
- d. To assure that these records shall be subject at all reasonable times to inspection, review, or audit by Federal, state, or other personnel duly authorized by the County.
- e. Persons duly authorized by the County and Federal auditors, pursuant to 45 CFR, Part 92.36(I)(10), shall have full access to and the right to examine any of provider's Agreement and related records and documents, regardless of the form in which kept, at all reasonable times for as long as records are retained.
- f. To include these aforementioned audit and record keeping requirements in all approved subcontracts and assignments.

11. TERMINATION

Leon County may terminate this Agreement without cause, by giving the Contractor thirty (30) days written notice of termination. The County Agrees to remunerate the Contractor for all work satisfactorily performed to the date of termination. Either party may terminate this Agreement for cause by giving the other party hereto ten (10) days written notice of termination. The County shall not be required to give Contractor such ten (10) day written notice if, in the opinion of the County, the Contractor's performance of its obligations is so unsatisfactory that it cannot be remedied by the Contractor within a reasonable time. In such case, the County may immediately terminate the Agreement by mailing a notice of termination to the Contractor.

12. PUBLIC ENTITY CRIMES STATEMENT

In accordance with Section 287.133, Florida Statutes, Contractor hereby certifies that to the best of his knowledge and belief neither Contractor nor his affiliates has been convicted of a public entity crime. Contractor and his affiliates shall provide the County with a completed public entity crime statement form no later than January 15 of each year this

Agreement is in effect. Violation of this section by the Contractor shall be grounds for cancellation of this Agreement by Leon County.

13. NON-WAIVER

Failure by the County to enforce or insist upon compliance with any of the terms or conditions of this Agreement or failure to give notice or declare this Agreement terminated shall not constitute a general waiver or relinquishment of the same, or of any other terms, conditions or acts; but the same shall be and remain at all times in full force and effect.

14. REVISIONS

In any case where, in fulfilling the requirements of this Agreement or of any guarantee, embraced in or required thereby it is necessary for the Contractor to deviate from the requirements of the bid, Contractor shall obtain the prior written consent of the County.

15. VENUE

Venue for all actions arising under this Agreement shall lie in Leon County, Florida.

16. CONSTRUCTION

The validity, construction, and effect of this Agreement shall be governed by the laws of the State of Florida.

17. FORCE MAJEURE

Neither party shall be liable to the other for any failure to perform any obligations under this Contract due to causes which are beyond either parties reasonable control and of a nature which neither party has the power or authority to remedy, including without limitation, acts of god, acts of terrorism, acts of civil or military disturbances, fires, floods, epidemics, wars, and riots. In the event of such an occurrence, the party claiming relief thereon shall give prompt written notice thereof to the other party and any time for performance of an obligation shall be extended by time equal to the length of delay attributable to such occurrence.

18. DISPUTE RESOLUTION

A. Any and all disputes that arise in the course of this contract can follow any and/or all of the following three (3) courses:

- 1) Settlement - A first attempt will be made to settle any dispute between the two parties internally in a timely fashion.

- 2) If the dispute is not resolved within a twenty-one (21) day period, the parties shall attempt to settle the dispute by the process of mediation.
 - (a) Within a further period of twenty-one (21) days, the parties shall select a mediator.
 - (b) The mediator so appointed shall endeavor to settle the dispute between the parties to the mutual satisfaction of all parties. Both parties agree to co-operate fully with the mediator to achieve this outcome, although acknowledge that the mediator has no power or authority to make or impose any judgment, determination or order on either party.
 - (c) The parties acknowledge that the purpose of any exchange of information or documents or the making of any offer of settlement prior to or during the mediation process is to attempt to settle the dispute between the parties. No party may use, either directly or indirectly, any information or documents obtained through the dispute resolution process for any other purpose than in an attempt to settle the dispute.
 - (d) If, after the mediation conference has taken place, the dispute has still not been resolved to the mutual satisfaction of all parties, either party may in writing terminate the dispute resolution process provided for in this clause and may then commence legal proceedings relating to the dispute.
 - (e) If the mediator charges a fee, the parties to the mediation shall share such fees equally.
 - 3) Court of Law – Should mediation fail, either Party may proceed with court action with all the available remedies to the court of competent jurisdiction. The costs of any court action will be the responsibility of each Party.
- B. Once a dispute for each individual issue has been resolved using any of the above listed remedies, no other action, regardless of its form, shall be brought by either Party regarding said issue.
 - C. In the event of any dispute between County and a third-party arising from Contractor's work pursuant to this Contract, County agrees to notify Contractor of said dispute in a timely manner, and not to unreasonably withhold opportunity for Contractor to participate in dispute resolution.

WHERETO, the parties have set their hands and seals effective the date whereon the last party executives this Agreement.

CONTRACTOR

WITNESS: [Signature]

BY: [Signature]
President

WITNESS: [Signature]

DATE: 6/10/05

(CORPORATE SEAL)

STATE OF FAIRFAX
COUNTY OF Virginia

The foregoing instrument was acknowledged before me this 1 day of JULY, 2005.
By Jacqueline S. Romero, of _____, of _____
(Name of officer or agent, title of officer or agent) (Name of corporation)
acknowledging)

a VIRGINIA corporation, on behalf of the corporation. He/she is
(State or place of incorporation)
personally known to me or has produced Virginia Driver License as
identification. (type of identification)

JACQUELINE S. ROMERO
NOTARY PUBLIC
Commonwealth of Virginia
My Commission Expires October 31, 2005

Signature of Notary

Print, Type or Stamp Name of Notary

Title or Rank

Serial Number, If Any

LEON COUNTY, FLORIDA



BY: [Signature]
Cliff Thiele, Chairman
Board of County Commissioners
DATE: 7/06/05

ATTEST:
BOB INZER, CLERK OF THE COURT
LEON COUNTY, FLORIDA

By: [Signature]

APPROVED AS TO FORM:
LEON COUNTY ATTORNEY'S OFFICE

By: [Signature]
Herbert W.A. Thiele, Esq.
County Attorney



Wednesday, June 1, 2005

Benjamin H. Pingree
Assistant to the County Administrator
Leon County Court House, Suite 502
301 South Monroe Street
Tallahassee, Florida 32301

Dear Ben:

Enclosed is our detailed proposal for carrying out the assessment of Innovation Park and recommendations which will achieve the "mid-course correction" needed to cause the park to achieve its full potential. This letter should be considered a part of our proposal submission. The Scope of Work and schedule is designed to achieve the objectives for a fee of \$25,000 and with submission of draft findings in early September and the holding of a work session with your Board on September 13.

A "Proposed Detailed Budget" and "Proposed Scope of Work" accompany this letter, which will be e-mailed to you today and sent Federal Express for receipt tomorrow morning. Dilks Consulting joins us in this submission.

The proposal includes six tasks, as shown in the accompanying table:

- I. Taking Stock of Innovation Park
- II. Learning From the Most Successful Comparables
- III. Rigorous Comparison of Innovation Park and the "State of the Art"
- IV. Overview of Other Research Parks in Florida
- V. Priority Recommendations for the Future of Innovation Park
- VI. Briefing Book and Presentation Session

We have sent experience materials and resumes to you in the original submission. I am enclosing another six copies of our brochure, "21st Century University Leadership in Economic Development," which describes our work in this consulting practice area and provides other useful information on research parks.

We recognize this is a very important assignment, requiring senior consulting leadership. We would anticipate authorization to begin about June 20. You have indicated you and others you can direct have much of the information we need and we would immediately prepare a data request. We would review this data and I would make a two-day interview trip in early July, to work on filling data gaps and carrying out key interviews. The best practices work would begin immediately on authorization, as would the Florida research park scan. All this work would be pulled together to thoroughly brief Mr. Dilks before he makes a second two day visit to the area early in August.



Upon his return, the consulting team would work together to prepare our findings and recommendations and present them in a briefing book which would be sent to you for your review. It would then be refined and Mr. Dilks and I would come to Tallahassee for the September 13 presentation/work session with your Board. Where additional questions are raised which are within our contractual scope, they would be addressed and a final briefing book report sent to you in 6 copies and a reproducible.

We are proposing a fixed price contract for \$25,000, which would include time and travel and direct expense. We would bill monthly for the share of the work complete and accompanied by a progress report.

Directly Relevant Experience

We recently completed a similar assignment for Ohio State University and their Scitech park. President Karen Holbrook (614 292 2424 or e mail Holbrook.79@osu.edu) and her then Executive Assistant and General Counsel, who guided this project, Virginia Trethewey (614 292 8257) or e mail trethewey@ohiostatealumni.org would be fully informed references. Ms. Trethewey just moved across the river to the alumni office. I directed the Ohio State assignment and most of our other technology assignments described in our brochure.

Timothy George, a Partner in the firm, has also played a key role in many of our assignments. We would be joined in the project by Charles Day Dilks of Dilks Consulting. Mr. Dilks worked with us on the Ohio State project and has also worked with us in relevant projects at the University of Maryland Baltimore, the University of Waterloo, Ontario and a number of others. Equally important, Mr. Dilks ran one of the most successful parks in the country at the University City Science Center in Philadelphia for many years. This hands-on experience gives him and our total proposed team even greater credibility.

We very much look forward to working with you.

Sincerely,



Vernon George



**INNOVATION PARK ASSESSMENT AND RECOMMENDATIONS
PROPOSED SCOPE OF WORK**

George Henry George Partners

Dilks Consulting

This scope of work is focused to provide an assessment of the achievements and marketing and development approaches which characterize the performance of your Innovation Park; and to make recommendations for changes in the various characteristics of the present development approach which will better meet the objectives of the Authority, the County, the Universities and the overall economic development interests in the community. As noted in the cover letter, which is a part of this submission, the work would be completed for presentation to your Board in a work session on September 13 of this year, and for a fee of twenty-five thousand dollars. What follows is a detailing of our previous approach submission.

- I. **Taking Stock of Innovation Park.** Describe the physical park and its historic pace of development, its organization and staffing and finance, its approach to making building space available for private companies, the universities role and other important information--in effect its development and marketing strategy. You indicated that you and a few others have this information and you could make it available to us.
 - A. We would immediately prepare a comprehensive data request of the data we will need for our assessment which we would typically expect you and the Park staff to have readily available and to fill.
 1. A parcelization map/plan of the Innovation Park property, with information on when each parcel received necessary site improvements, how they were financed, the revenue now flowing to the Authority and the amount and use of building development which has occurred on the site and the date of such development. We understand FSU is a major tenant in the Park and information on their use would be particularly important. We are particularly interested in the last five or so years, because the focus should be on what more we can achieve in the future. A listing of the tenants which have moved in each year and their characteristics is particularly important.
 2. Project annual financials for the Authority showing annual and cumulative five years sources and uses of funds; and supporting information on staffing, ex officio and community participation.



3. Marketing budget and staffing (often part of total duties) and a specific description of marketing activities carried out to: 1) achieve university-related and other business start-ups; 2) to attract existing technology companies and other entities into the park; and 3) to partner with the universities' tech transfer staffs and local and state economic development marketing staffs in these efforts.
4. Actions to achieve an inventory of multi-tenant space which meets the needs of technology companies and the results. This would include incubator-type space for start-up and other small companies needing management and financing assistance as space fir companies not needing management assistance but needing small and moderate amounts of technology-able space. (Experience has shown that financing this space is not easy, but marketing to private companies without such an inventory is difficult.)
5. Firm plans for future development in the park by the universities, private developers, individual tenants and others. Where the park fits in the campus planning or FSU and FAMU would be one important part of this information.

B. We would immediately assess the information provided and this would be an important input to our design of our first data gathering and interview trip.

1. We would recommend the people by position we feel we should interview and ask you to set up the interviews. A common interview site greatly increases the number of interviews we will be able to carry out during this first two day trip.
2. We will carry out the confidential interviews and organize the results for our subsequent use in the analysis.

II. **Learning From the Most Successful Comparables.** Simultaneously, we would draw on our files to select six instructive research parks, which have important similarity in research strength and university characteristics and have been actively developing and marketing parks for at least five years.

A. Since we believe your primary intent is to learn from other parks how Innovation Park can be most successful, an important selection characteristic would be performance attracting start-up, small and other technology companies.

B. We would describe the parks selected and the rationale and submit them to you in a brief memorandum.



C. For these instructive parks, we would supplement our own extensive data base, often collected during our own assignments on these and comparable parks, with web analysis and in depth telephone discussions with key individuals in the universities and the community, as well as the park staffs.

D. The information we would seek would include their performance by tenant type and the strategies they have used to get private technology company and total building space developed and marketed.

1. Marketing success by type of tenant and the strategies used.
2. Technology commercialization strategies, including incubation, seed, start-up and venture financing.
3. Development of multi-tenant technology company space.
4. Staffing and total operating budget levels.
5. Role of the involved universities, host counties, special purpose development entities, the business community, and their state and federal relationships in their governance and development.

E. We would organize the results and use them effectively in the preparation of the draft and final briefing document.

III. **Rigorous Comparison of Innovation Park and the "State of the Art."** We would analyze the information on Innovation Park and the best practice, instructive parks and systematically compare the Innovation Park achievements and strategies and work effort to that of the instructive parks; and the results would include:

Results

- A. Floor space developed and occupied by each type of tenant, in total and on an annual average basis; including private, multi-tenant space.
- B. Employment achieved by general salary level, where this data has been assembled by the park staff.
- C. Assessed value added to the real estate tax roles directly from development in the park, where this data is available from park staff.
- D. University research growth from operations taking place in the park, where this data is available from university research administration.



E. Other identified in the work.

Strategies and Actions

- A. Attraction of private companies and entities through independent action and in collaboration with local and state economic development marketing agencies.
- B. Generation and growth of start-up companies through independent action and in collaboration with university tech transfer staff and local and state economic development agencies.

IV. **Overview of Other Research Parks in Florida.** Prepare an overview of other Florida research and technology parks, including Central Florida, South Florida, University/Gainesville, Florida Atlantic and others. Information would be gained by web site review and park director telephone interviews and would focus on: marketing success; university, county and special entity roles; and operating staffing and budget, where available. Where there are relevant lessons for Innovation Park which emerge from the scan, they would be identified.

V. **Priority Recommendations for the Future of Innovation Park.** Make specific recommendations on how the performance of your park can be improved and brought in line with reasonable performance expectations consistent with the comparable parks. Recommendation topics would include:

- A. Image for the park. Is there a way the name of the park and the focus of the marketing materials can better the research and total institutional strengths which would attract companies to the park.
- B. Approach to insuring that there is a continuing supply of multi-tenant technology company building space to support the marketing program. What is the optimum private developer role in meeting this key component of the marketing strategy? Can university anchor tenancy be used to both meet growing university space needs and also secure the financing for space to attract private companies?
- C. Achieving the physical park setting which will be attractive to technology companies, in terms of approach and entrance, important amenities, signage and landscaping, supporting facilities etc (these would be from a program, not designer standpoint)



- D. Establishing strong linkages between the university tech transfer staff and the park staff;
- E. What does the best practice experience tell us about the optimum approaches to enhancing the existing provision of supporting venture capital and management support for small companies?
- F. Does the park need an incubator to meet its commercialization objectives and who should have this responsibility?
- G. There is a staff in place and this work would include individual performance assessment. Recommendations would be made for the important staff positions, job descriptions and reasonable achievement expectations.
- H. Comparison of the present park operating budget with that of the comparable parks would be an important feature of this assessment.
- I. Techniques which will be most effective in attracting existing technology companies into building space and sites in the Park.

There may be two options here, one with a continuing expansion of the University presence in the Park and the other with the focus being shifted to bringing existing technology companies to the community and generating and retaining start-ups. The client group would provide guidance on this issue.

- IV. **Briefing Book and Presentation Session.** Our findings and recommendations would be summarized in a briefing book, which presents the key findings and recommendations in thorough thematic outline form.

We would submit the briefing book for your review in early September, clarify the book as needed and would anticipate meeting with your Board in a work session to present these findings on September 13. If additional questions, consistent with our contractual scope, are raised in that session, we would address these in a final draft.

Method of Payment

This would be fixed price contract and we would bill monthly for the share of the contractual work completed as described in a written progress report submitted with the invoice.

**PART V
RESEARCH AND DEVELOPMENT
AUTHORITIES**

- 159.701 Purposes.
- 159.702 Definitions.
- 159.703 Creation of research and development authorities.
- 159.704 Designation by Board of Regents; procedure.
- 159.705 Powers of the authority.
- 159.7055 Authority reporting requirement.
- 159.706 Grandfather clause.
- 159.707 Credit of state or political subdivision not pledged.
- 159.708 Tax exemption.
- 159.709 Powers of ss. 159.701-159.7095 supplemental.
- 159.7095 Issuance of bonds.

159.701 Purposes.--Research and development authorities, as authorized by ss. 159.701-159.7095, are created for the purpose of promoting scientific research and development in affiliation with and related to the research and development activities of one or more state-based, accredited, public or private institutions of higher education; for the purpose of financing and refinancing capital projects related to establishment of a research and development park in affiliation with one or more institutions of higher education, including facilities that complement or encourage the complete operation thereof as defined by, and in the manner provided by, the Florida Industrial Development Financing Act and by ss. 159.701-159.7095; and for the purpose of fostering the economic development and broadening the economic base of a county in affiliation with one or more institutions of higher education.

History.--s. 4, ch. 79-101; s. 1, ch. 85-313; s. 2, ch. 88-409; s. 23, ch. 89-381.

159.702 Definitions.--

(1) The following words and terms, unless the context clearly indicates a different meaning, shall have the following meaning:

(a) "Bonds" or "revenue bonds" means the bonds authorized to be issued by any authority under ss. 159.701-159.7095, which may consist of a single bond. The term "bonds" or "revenue bonds" shall also include a single bond, a promissory note or notes, or other debt obligations evidencing an obligation to repay borrowed money.

(b) "Project" means any capital project comprising a research and development park, or any part thereof, and including one or more buildings and other structures, machinery, fixtures, equipment, and any rehabilitation or addition to any building or structure and machinery and equipment, as defined in the Florida Industrial Development Financing Act.

(c) "Authority" or "research and development authority" means any of the public corporations created pursuant to ss. 159.701-159.7095.

(d) "Board" means the board of county commissioners or other body charged with governing the county.

(e) "Cost" as applied to a project shall embrace the cost of construction; land or rights in land; other property, both real and personal; machinery and equipment; financing charges, including interest; and all other costs necessary for placing the project in operation as defined in the Florida Industrial Development Financing Act. "Cost" shall also include the cost of financial consultants, accountants, legal services, engineering and architectural services, feasibility studies, and services by other consultants and such experts as may be selected by the lessee of any such project if the cost thereof shall be paid by the lessee or shall be included as a cost of the project and reimbursed from proceeds of any bonds issued to finance the cost of such project.

(f) "Florida Industrial Development Financing Act" means part II of this chapter and any amendments thereto, and the definitions contained therein shall also be applicable to ss. 159.701-159.7095 and to any bonds issued pursuant thereto.

(g) "Contiguous counties" means counties with common borders.

(2) Wherever the singular term "research and development park" appears in this part, it shall be construed to include the plural term "research and development parks."

History.--s. 4, ch. 79-101; s. 2, ch. 85-313; s. 3, ch. 88-409.

159.703 Creation of research and development authorities.--

(1) Subject to the provisions of this part, each county or group of counties may create by ordinance a local governmental body as a public body corporate and politic to be known as "_____ Research and Development Authority," hereafter referred to as "authority" or "authorities." Each of the authorities is constituted as a public instrumentality for the purposes of development, operation, management, and financing of a research and development park, and the exercise by an authority of the powers conferred by ss. 159.701-159.7095 shall be deemed and held to be the performance of an essential public purpose and function. However, no authority created on or after July 7, 1988, shall transact any business or exercise any power hereunder until and unless the Board of Regents has designated the authority pursuant to the requirements of s. 159.704.

(2) The governing board of the county may adopt a resolution declaring that there is need for a research and development authority in the county if it finds that there exists a need for the development and financing of a research and development park.

(3) The resolution shall designate not less than five persons who are residents and electors of, or have their principal place of employment in, the county as members of the authority created for said county. Of the members first appointed, one shall serve for 1 year, one for 2 years, one for 3 years, and the remainder for 4 years and in each case until his or her successor is appointed and has qualified. Thereafter, the board shall appoint for terms of 4 years each a member or members to succeed those whose terms expire. In addition to the other members, the president of each affiliated institution of higher education, or the president's designee, shall be a member of the authority and shall serve ex officio. Except as to members who serve ex officio, the board shall fill any vacancy for an unexpired term. A member of the authority shall be eligible for reappointment. Any member of the authority may be removed by the board for misfeasance, malfeasance, or willful neglect of duty. Each member of the authority before entering upon his or her duties shall take and subscribe the oath or affirmation required by the State Constitution. A record of each such oath shall be filed with the Department of State and with the clerk of the circuit court.

(4) The authority shall annually elect one of its members as chair and one as vice chair and may also appoint a secretary who shall serve at the pleasure of the authority and receive such compensation as shall be fixed by the authority.

(5) The secretary shall keep a record of the proceedings of the authority and shall be custodian of all books and records of the authority and of its official seal.

(6) A majority of the members of the authority shall constitute a quorum, and the affirmative vote of a majority of the members present shall be necessary for any action taken by the authority, provided that the president of each

affiliated institution of higher education or that president's designee shall be present and vote on any action taken by the authority involving the issuance of bonds or the transfer, development, lease or encumbrance of any lands owned by the Trustees of the Internal Improvement Trust Fund and leased to the authority; and provided, further, that the president of each affiliated institution of higher education or such president's designee shall be present and vote in the affirmative on any action taken by the authority involving the lease of any park lands to a state agency. No vacancy in the membership of the authority shall impair the right of a quorum to exercise all the rights and perform all the duties of the authority. Any action taken by the authority under the provisions of ss. 159.701-159.7095 may be authorized by resolution at any regular or special meeting, and each such resolution shall take effect immediately and need not be published or posted. Notice of meetings of the authority shall be published in the Florida Administrative Weekly.

(7) The members of the authority shall receive no compensation for the performance of their duties hereunder, but each such member shall be paid necessary expenses incurred while engaged in the performance of such duties.

(8) The authority may also appoint such other officers as it may deem necessary.

(9) If two or more contiguous counties wish to create jointly a research and development authority, the governing boards of each county shall adopt a resolution declaring that there is a need for a research and development authority for said counties, which shall be constituted in the manner prescribed by subsections (2)-(7), except that the resolution shall designate not less than seven persons as members of the authority. Each county shall be equally represented on the authority except that the county in which the research and development park is located or in which a substantial portion is located shall be entitled to one additional member.

History.—s. 4, ch. 79-101; s. 3, ch. 85-313; s. 3, ch. 86-214; s. 4, ch. 88-409; s. 24, ch. 89-381; s. 32, ch. 91-55; s. 893, ch. 95-147; s. 1, ch. 2000-216.

159.704 Designation by Board of Regents; procedure.—

(1) The authority shall prepare and submit to the Board of Regents a petition requesting that the authority be designated a research and development authority.

(2) The petition shall contain, but not be limited to:

(a) The resolution of the governing board of the county constituting the authority.

(b) A concept of operation of the proposed research and development park consistent with s. 159.27(7) and the purposes of ss. 159.701-159.7095.

(c) A statement of affiliation with one or more state-based, accredited, public or private institutions of higher learning with research and development capabilities.

(d) Evidence of availability of a site suitable for the projected scope of operations.

(e) Evidence of the economic feasibility of the proposed research and development park.

(f) A plan for funding the development of the proposed research and development park, including a minimum financial commitment by the authority of \$50,000 in liquid assets for development purposes.

(3) Upon approval of the petition and designation as a research and development authority by the Board of Regents, the authority shall be empowered to transact any business and exercise any power authorized by ss. 159.701-159.7095 for the purposes set out in such sections.

History.—s. 4, ch. 79-101; s. 4, ch. 85-313; s. 5, ch. 88-409.

159.705 Powers of the authority.--The authority is authorized and empowered:

(1) To have perpetual succession as a body politic and corporate and to adopt bylaws for the regulation of its affairs and the conduct of its business.

(2) To adopt an official seal and alter the same at pleasure.

(3) To maintain an office at such place or places in the county as it may designate.

(4) To sue and be sued in its own name and to plead and be impleaded.

(5) To enter into contracts for any of the purposes enumerated in ss. 159.701-159.7095 and in the Florida Industrial Development Financing Act.

(6) To issue revenue bonds or other debt obligations repayable solely from revenues derived from the sale, operation, or leasing of such capital projects in the manner prescribed in subsection (7), subject to the approval of the board pursuant to s. 125.01(1)(z).

(7) To exercise all the powers in connection with the authorization, issuance, and sale of revenue bonds to finance the cost of capital projects conferred on counties, municipalities, special districts, and other local governmental bodies by the Florida Industrial Development Financing Act. All of the privileges, benefits, powers, and terms of that act shall be fully applicable to authorities created pursuant to ss. 159.701-159.7095. Industrial development revenue bonds may be authorized, issued, and sold by authorities in compliance with the criteria and requirements set forth in the Florida Industrial Development Financing Act. The bonds of each issue shall be dated, bear interest at such rate or rates, mature at such time or times, be redeemable prior to maturity at such price or prices, be in such denominations, contain such recitals, and be sold for such price or prices and in such manner as provided in that act. Projects may be acquired, constructed, leased, operated, or sold in the manner provided in that act, and the items of cost as enumerated therein may be included as project costs. The repayment of bonds issued by the authorities may be secured by trust agreements or security agreements as set forth in that act; and fees, rents, and charges for the use of any project or any part of any project may be collected and fixed by the authority in the manner provided in that act. All moneys received pursuant to the provisions of ss. 159.701-159.7095 shall constitute trust funds as provided in the Florida Industrial Development Financing Act. The remedies provided by that act shall also be applicable to bonds issued pursuant to ss. 159.701-159.7095, and bonds of the authority may be refunded in the manner provided therein and shall be eligible for investment as provided in that act.

(8) To acquire by lease, purchase, or option real and personal property for use as a site for the location of a research and development park project as defined in the Florida Industrial Development Financing Act. Authorities shall have the power to prepare sites for use as the location of a research and development park and may construct thereon access roads, drainage facilities, utilities, and other improvements necessary for ultimate use by research and development projects. The acquisition, development, and financing of such sites may be in the manner provided in ss. 159.701-159.7095 and the Florida Industrial Development Financing Act.

(9) In any case in which an addition to a project is financed or in which less than the entire project is financed or refinanced by industrial development bonds, to secure the issuance and repayment of such bonds by a lease, mortgage, or other security instrument encumbering only the capital improvements which are financed by the authority. Such lease, mortgage, or other security instrument may include a security interest in both the land and personal property or may include a lease, mortgage, or other security instrument sufficient for the purpose encumbering only the personal property, including machinery and equipment, which is being financed. In financing projects, authorities may lease such projects to the industry which is the ultimate user until the debt obligations issued for such purpose are retired, or it may sell such capital projects to the industry using the project on an installment purchase contract or other type of purchase contract with such security instruments or trust agreements as the authority shall deem adequate, in which case the transaction shall be deemed to be a sale and not a lease of such project.

(10) Other provisions of law to the contrary notwithstanding, to acquire by lease, without consideration, purchase, or option any lands owned, administered, managed, controlled, supervised, or otherwise protected by the state or any of its agencies, departments, boards, or commissions for the purpose of establishing a research and development park, subject to being first designated a research and development authority under the provisions of ss. 159.701-159.7095. The authority may cooperate with state and local political subdivisions and with private profit and nonprofit entities to implement the public purposes set out in s. 159.701. Such cooperation may include agreements for the use of the resources of state and local political subdivisions, agencies, or entities on a fee-for-service basis or on a cost-recovery basis.

(11) Notwithstanding the provisions of s. 253.034, to be granted leases for lands owned by the Board of Trustees of the Internal Improvement Trust Fund for periods not to exceed 99 years, and to grant subleases for land which is owned by the Board of Trustees of the Internal Improvement Trust Fund if the board of trustees has approved the master lease agreement, the concept of the operation of the park, the master sublease provisions for use in such subleases, and changes, if any, to the master sublease. The terms of such subleases may run concurrently with the term of the lease granted by the Board of Trustees of the Internal Improvement Trust Fund, and subsequent to execution, copies of the subleases shall be filed with the Division of State Lands of the Department of Environmental Protection.

History.--s. 4, ch. 79-101; s. 2, ch. 83-47; s. 25, ch. 83-271; s. 5, ch. 85-313; s. 3, ch. 86-216; s. 6, ch. 88-409; s. 16, ch. 94-356.

159.7055 Authority reporting requirement.--Any authority which issues any revenue bonds pursuant to this part shall supply the Division of Bond Finance of the State Board of Administration with a copy of the report required pursuant to s. 103 of the Internal Revenue Code of 1954, as amended, at the times required pursuant to that section.

History.--s. 26, ch. 83-271; s. 7, ch. 86-181; s. 146, ch. 92-279; s. 55, ch. 92-326; s. 14, ch. 95-196; s. 13, ch. 2000-158.

159.706 Grandfather clause.--Each county designated as a research and development authority on June 30, 1979, shall be entitled to continue to be designated and shall be accorded all powers conferred to designated authorities by ss. 159.701-159.7095, except that any authority not constituted and designated under the provisions of ss. 159.701-159.7095 shall be prohibited from exercising any power to issue revenue bonds or other debt obligations pursuant to s. 159.705(6) and (7).

History.--s. 4, ch. 79-101.

159.707 Credit of state or political subdivision not pledged.--

(1) The revenue bonds issued by the authority shall not be deemed to constitute a debt, liability, or obligation of any authority or county or of the state or any political subdivision, and such revenue bonds or debt obligations shall be payable solely from revenues derived from the sale, operation, or leasing of a project or projects.

(2) All bonds issued under the provisions of ss. 159.701-159.7095 shall have, and are declared to have, all the qualities and incidents, including negotiability, of investment securities under the Uniform Commercial Code.

(3) Bonds may be issued under the provisions of ss. 159.701-159.7095 without obtaining, except as otherwise provided in ss. 159.701-159.7095, the consent of any department, commission, board, bureau, or agency of the state and without any other proceedings or the happening of any conditions, except those which are specifically required by the provisions of the resolution authorizing the issuance of such bonds or the trust agreement securing the same.

History.--s. 4, ch. 79-101.

159.708 Tax exemption.--The exercise of all powers granted by ss. 159.701-159.7095 in all respects will be for the benefit of the people of the state, for the increase of their industry and prosperity and the improvement of their health and living conditions, and for the provision of gainful employment and will constitute the performance of essential public functions. The authority shall not be required to pay any taxes on any project or any other property

owned by the authority under the provisions of ss. 159.701-159.7095 or upon the income therefrom. The bonds issued under the provisions of ss. 159.701-159.7095, their transfer, and the income therefrom (including any profit made on the sale thereof), and all notes, mortgages, security agreements, letters of credit, or other instruments which arise out of or are given to secure the repayment of bonds issued in connection with a project financed under this part, shall at all times be free from taxation by the state or any local unit or political subdivision or other instrumentality of the state. Nothing in this section, however, shall be construed as exempting from taxation or assessments the leasehold interest of any lessee in any project or any other property or interest owned by any lessee. The exemption granted by this section shall not be applicable to any tax imposed by chapter 220 on interest, income, or profits on debt obligations owned by corporations.

History.--s. 4, ch. 79-101; s. 23, ch. 86-152.

159.709 Powers of ss. 159.701-159.7095 supplemental.--The powers conferred by ss. 159.701-159.7095 shall be in addition and supplementary to existing powers and statutes, and these sections shall not be construed as repealing any of the provisions of any other law, general or local.

History.--s. 4, ch. 79-101.

159.7095 Issuance of bonds.--The bonds issued under ss. 159.701-159.7095 may be validated in the manner prescribed by chapter 75.

History.--s. 4, ch. 79-101.

State of Florida

DEPARTMENT OF STATE • DIVISION OF CORPORATIONS

I certify that the attached is a true and correct copy of the Charter of THE LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY, a Florida Research and Development Authority, filed on the 24th day of October, 1978, as shown by the records of this office.

GIVEN under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the 24th day of October, 1978.

Janet M. ...
SECRETARY OF STATE



CHARTER
OF THE LEON COUNTY
RESEARCH AND DEVELOPMENT AUTHORITY

RECEIVED
SECRETARY OF STATE
TALLAHASSEE, FLORIDA
OCT 24 4 23 PM '78

FILED

THIS CHARTER is adopted pursuant to Chapter 78-402, of Florida, the Leon County Research and Development Authority having been designated by the Florida Research and Development Commission upon petition of the Board of County Commissioners for Leon County, Florida.

1. NAME. The name of the authority shall be the LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY (hereinafter called the Authority).

2. PURPOSE. The Authority shall operate, manage and control a research and development park on lands to be acquired within Leon County, Florida (hereinafter referred to as the Park) and shall perform any and all functions related or incidental to the operation of the Park.

3. POWERS AND DUTIES. The Authority shall have and exercise all powers reasonably necessary, convenient or incidental to its operation, management and control of the Park, including but not limited to the power:

a. to acquire, purchase, hold, lease as lessee and use any property, real, personal, or mixed, tangible or intangible, or any interest therein, necessary or desirable for carrying out the purposes of the Authority, and to sell, transfer, lease as lessor or dispose of any such property or interest therein acquired by the Authority.

b. to formulate and implement plans for the development and use of the lands within the Park, including without limitation, landscaping, drainage and sewerage, the construction of roads, driveways and parking spaces, the installation of utilities, and the design and erection of buildings and improvements; and to



impose protective covenants thereon to assure the development and use of the Park for research, development, educational, and related purposes, and to protect against any environmental influence which may be in conflict therewith. Land use and development shall be in accordance with applicable ordinances of Leon County, Florida, and other controlling laws and regulations.

c. to lease parcels within the Park to others upon such terms and conditions as the Authority deems appropriate, to approve the construction of buildings, facilities and improvements thereon by or on behalf of the lessees, and to impose restrictions upon the lessees' use of Park lands and their activities and operations therein consistent with the objectives of the Authority in administering the Park.

d. to receive rents, and other income, and accept appropriations, contracts and grants, donations, gifts and bequests of money or property, public and private, to borrow money and issue evidence of indebtedness, and to issue revenue bonds, authorized or permitted by law, and to use, commit and expend such funds and property in carrying out the Authority's public purposes.

e. to secure technical assistance; engage consultants, appoint and employ personnel, designate and maintain offices, acquire equipment and construct facilities, enter contracts, establish and carry on its work through foundations, non-profit corporations or other legal entities, sue and be sued, execute all instruments necessary or convenient for carrying on its business and engage in any lawful business related or incidental to the operation management or control of the Park.

f. to advise and make recommendations to the County of Leon, through its Board of County Commissioners, on all subjects and matters pertaining to the establishment, development and operation of the Park.

The foregoing shall in no way limit the powers of the Authority. It shall be the duty of the Authority to exercise its powers to

operate the Park toward the ends of developing new knowledge, advancing technology, and enhancing the economic growth of Leon County and of the State of Florida.

4. ORGANIZATION. The Authority shall consist of five members who are residents of Leon County, Florida, as follows: the President of Florida A & M University, the President of Florida State University, a member of the Board of County Commissioners of Leon County, Florida selected by the Florida Research and Development Commission (hereinafter the Commission), and two other residents of Leon County, Florida selected at large by the Commission, neither of whom shall be full-time public employees. The Authority shall elect one of its members as chairman. Three members of the Authority shall constitute a quorum. Resolutions adopted by the vote of at least three members of the Authority shall take effect without further action. Each member of the Authority shall have one vote. The yeas and nays shall be called and entered upon the minutes of each meeting upon the passage of every resolution or other action of the Authority. The Authority may meet at such times and places as it may designate, but shall hold regular meetings at least quarterly. Special meetings may be called upon the call of its chairman or of any three members. The members of the Authority shall not be entitled to remuneration for their services.

5. TERMS OF OFFICE. The terms of office of the members of the Authority shall be as follows: the Presidents of Florida A & M University and Florida State University shall be members of the Authority during their respective terms of office as university president; the term of the County Commissioner shall coincide with his term as a member of the Board of County Commissioners of Leon County, but not to exceed four years, and each of the two at large members shall serve four-year terms. No member of the Authority whose term of office has expired may be appointed to the Authority for a second consecutive term.

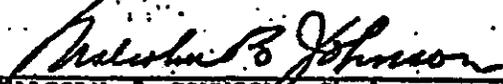
6. EXISTENCE. The existence of the Authority shall continue in perpetuity or until its Charter is revoked as authorized by law.

7. DISPOSITION OF PROPERTY UPON TERMINATION. In the event the existence of the Authority shall terminate, the assets of the Authority after payment, satisfaction or discharge of its liabilities and obligations, or the making of arrangements therefor, shall be equally divided between Florida A & M University Foundation and Florida State University Foundation.

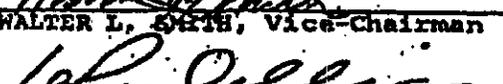
8. AMENDMENT. This Charter or any part hereof may be amended only by the vote of four members of the Authority and may be revoked only by the unanimous vote of all members.

9. SEVERABILITY. In the event that any provision of this Charter is declared invalid, the invalidity thereof shall not affect other provisions of the Charter which can be given effect without the invalid provision, and to this end the provisions of this Charter shall be severable.

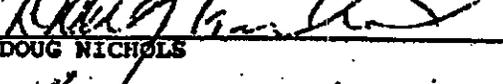
SUBSCRIBED this 24th day of October, 1978, by the initial members of The Leon County Research and Development Authority.


MALCOLM B. JOHNSON, Chairman


WALTER L. SMITH, Vice-Chairman


LEROY COLLINS


DOUG NICHOLS


BERNARD F. SLIGER

STATE OF FLORIDA
COUNTY OF LEON

I HEREBY CERTIFY that on this day personally appeared before me, the undersigned authority, MALCOLM B. JOHNSON, to me well known and known to me to be the person who executed the foregoing instrument and acknowledged before me that he executed the same freely and voluntarily for the uses and purposes therein set forth and expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on this 20th day of October, 1978.

Vicki McGowan Turner
NOTARY PUBLIC

My Commission Expires: Notary Public, State of Florida At Large
My Commission Expires Oct. 18, 1980
Covered By Surety Insurance Co.

STATE OF FLORIDA
COUNTY OF LEON

I HEREBY CERTIFY that on this day personally appeared before me, the undersigned authority, WALTER L. SMITH, to me well known and known to me to be the person who executed the foregoing instrument and acknowledged before me that he executed the same freely and voluntarily for the uses and purposes set forth and expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on this 10th day of October, 1978.

Vicki McGowan Turner
NOTARY PUBLIC

My Commission Expires: Notary Public, State of Florida At Large
My Commission Expires Oct. 18, 1980
Covered By Surety Insurance Co.

STATE OF FLORIDA
COUNTY OF LEON

I HEREBY CERTIFY that on this day personally appeared before me, the undersigned authority, LEROY COLLINS, to me well known and known to me to be the person who executed the foregoing instrument and acknowledged before me that he executed the same freely and voluntarily for the uses and purposes set forth and expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on this 23rd day of October, 1978.

Vicki McGowan Turner
NOTARY PUBLIC

My Commission Expires: Notary Public, State of Florida At Large
My Commission Expires Oct. 18, 1980
Covered By Surety Insurance Co.

STATE OF FLORIDA
COUNTY OF LEON

I HEREBY CERTIFY that on this day personally appeared before me, the undersigned authority, DOUG NICHOLS, to me well known and known to me to be the person who executed the foregoing instrument and acknowledged before me that he executed the same freely and voluntarily for the uses and purposes set forth and expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on this 11th day of October, 1978.

Vicki McGowan Turner
NOTARY PUBLIC

My Commission Expires: Notary Public, State of Florida At Large

STATE OF FLORIDA
COUNTY OF LEON

I HEREBY CERTIFY that on this day personally appeared before me, the undersigned authority, BERNARD F. SLIGER, to me well known and known to me to be the person who executed the foregoing instrument and acknowledged before me that he executed the same freely and voluntarily for the uses and purposes set forth and expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on this 20th day of October, 1978.

Vic McGowan
NOTARY PUBLIC

My Commission Expires:
Notary Public, State of Florida At Large
My Commission Expires Dec. 31, 1980
Send to Reserve Notaries Co.

Sec. 2-56. Created

There is hereby created pursuant to the provisions of F.S. ch. 159, pt. V [§ 159.701 et seq.], the Leon County Research and Development Authority.

(Code 1980, § 2-121

State law references: Authority to create research and development authority, F.S. § 159.701(1).

Sec. 2-57. Membership; composition.

There shall be no less than five members of the authority, in addition to one member who is a representative of, and recommended by the president of, Florida A & M University and another member who is a representative of, and recommended by the president of, Florida State University. The membership may also include at least one tenant of Innovation Park, and may include representatives of the private business sector from the following disciplines: Banking/finance, land development/real estate, marketing, and land use/environmental research. The Tallahassee Chamber of Commerce/Economic Development Council of Tallahassee-Leon County, Inc., and the City of Tallahassee Economic Development Office will recommend names to the Board of County Commissioners for the representatives from the private business sector.

(Code 1980, § 2-123; Ord. No. 00-29, § 1, 7-11-00)

State law references: Research and development authority membership, F.S. § 159.703(3).

Sec. 2-58. Authority and powers.

The Leon County Research and Development Authority hereby created may transact any business and exercise any and all powers authorized and conferred by law.

(Code 1980, § 2-122

State law references: Powers of research development authority, F.S. § 159.705 et seq.

Secs. 2-59-2-70. Reserved.

BY-LAWS
OF
LEON COUNTY RESEARCH & DEVELOPMENT AUTHORITY

Article I

Background

Section 1. CREATION. The Leon County Research & Development Authority (hereinafter the "Authority") was created as a public body corporate pursuant to Chapter 78-402, Laws of Florida. The Authority's Charter was dated and filed with the Secretary of State on October 24, 1978. The Board of County Commissioners of Leon County, Florida, confirmed the creation and existence of the Authority by Ordinance No. 80.68. As a public instrumentality, the exercise by the Authority of its powers, or any of them, is declared by law to be the performance of an essential public purpose and function. The powers and duties of the Authority are established by law and set forth in Florida Statutes, 159.701 *et seq.* (1979).

Section 2. PERPETUAL EXISTENCE. The Authority shall exist perpetually.

Article II

Board of Governors

Section 1. APPOINTMENT AND DESIGNATION. In accordance with the provisions of Chapter 159, Part V, Florida Statutes, the Board of governors of the Authority (hereinafter "Board of Governors" of "Governor") shall consist of:

- a. Not less than five persons appointed by the Board of County Commissioners for Leon County, Florida. As of October 15, 2002, the County Commissioners has appointed five persons to serve on the Board of Governors.
- b. One person designated by the President of each affiliated institution of higher education, to serve ex officio. As of October 15, 2002, the Presidents of Florida State University and Florida A & M University have each designated one board member to serve ex officio.

Except as lawfully and properly delegated to officers, the powers of the Authority shall be exercised by or through, and the business and affairs of the Authority shall be managed under the direction of the Board. Each Governor shall meet the eligibility requirements, and hold office for such terms as required and set by Chapter 159, Part V, Florida Statutes. Any amendment or modification of Chapter 159, Part V, Florida Statutes, concerning the appointment, designation, eligibility or term of the Board of Governors shall operate to amend and modify this section of the By-Laws.

Section 2. REMOVAL OF GOVERNORS. Any Governor may be removed from office by the Board of County Commissioners for Leon County, Florida, at any time for misfeasance, malfeasance or willful neglect of duty. Governors who serve ex officio, shall serve at the pleasure of the office which designated such Governor.

Section 3. VACANCIES. In the event of a vacancy occurring on the Board of Governors, except those who serve ex officio, such vacancy shall be filled by the Board of County Commissioners for Leon County, Florida, for the unexpired term of the subject office.

Vacancies occurring on the Board of Governors who serve ex officio shall be filled by the office which designated such Governor.

Section 4. OATH OF OFFICE. Before entering upon his duties, each Governor shall take and subscribe the oath or affirmation required by the Constitution of the State of Florida. A record of each such oath or affirmation shall be filed with the Department of State of the State of Florida and with the Clerk of the Circuit Court in and for Leon County, Florida.

Section 5. FINANCIAL DISCLOSURE. Each appointed or designated member of the Board of Governors shall file a statement of financial interest within 30 days from the date of the appointment in accordance with Florida Statutes 112.3145.

Section 6. COMPENSATION. The Governors shall receive no compensation for the performance of their duties as Governors but each Governor shall be paid his necessary expenses incurred while engaged in the performance of such duties.

Section 7. REGULAR MEETINGS OF GOVERNORS. Regular meetings of the Board of Governors shall be held once each month at such time and place, within or without the State of Florida, as the Board of Governors may by resolution appoint. The Board may by resolution dispense with any regular monthly meeting which it determines to be unnecessary.

Section 8. SPECIAL MEETINGS. Special meetings of the Board of Governors may be called at any time by the Chairman and may be held at any time and at any place within or without the State of Florida.

Section 9. NOTICE OF MEETINGS. Notice of each regular and special meeting of the Board of Governors stating the time, place and purpose or purposes thereof shall be given to each member of the Board by the Secretary. Notice of the cancellation of a regular monthly

meeting shall also be given by the Secretary to each member of the Board of Governors. Attendance by a Governor shall constitute a waiver of notice of such meeting. Notice of meetings shall be consistent with the provisions of Florida Statutes, Chapter 286, provided however that such notice shall also be published in the *Florida Administrative Weekly*.

Section 10. QUORUM. A majority of the members of the Board of Governors of the Authority shall constitute a quorum, and the affirmative vote of a majority of the members present shall be necessary for any action taken by the Authority, provided that the president of each affiliated institution of higher education or that president's designee shall be present and vote on any action taken by the Authority involving the issuance of bonds or the transfer, development, release or encumbrance of any lands owned by the Trustees of the Internal Improvement Trust Fund and leased to the Authority; and provided, further, that the president of each affiliated institution of higher education or such president's designee shall be present and vote in the affirmative on any action taken by the Authority involving the lease of any park lands to a state agency.

Section 11. RESOLUTIONS. Any action taken by the Board of Governors may be authorized by resolution at any regular or special meeting and each such resolution shall take effect immediately and need not be published or posted.

Section 12. CHAIRMAN AND VICE CHAIRMAN. The Board of Governors shall annually elect one of its members as Chairman and another of its members as Vice Chairman. The election of the Chairman and Vice Chairman shall be conducted at the regular meeting of the Board of Governors in September of each year. The Chairman shall preside at all meetings of the Board of Governors, shall have the powers and perform the duties usually pertaining to such

office, and shall have such other powers and perform such other duties as may from time to time be prescribed by the Board of Governors. The Vice Chairman shall, in the absence or disability of the Chairman, perform the duties and exercise the powers of the Chairman and shall have such other powers and perform such other duties as are required of him by the Board of Governors.

Article III.

Officers

Section 1. OFFICERS. The officers of the Authority shall be the Chairman of the Board of Governors, the Vice Chairman of the Board of Governors, the Secretary, the Treasurer, and at the discretion of the Board of Governors, such other officers and assistants as may be needed, all of whom shall be elected by the Board of Governors and shall serve at the pleasure of the Board. One person may be selected to, and simultaneously fulfill the duties of more than one office; provided, however, that the Chairman and the Vice Chairman of the Board shall hold only those respective offices.

Section 2. THE CHAIRMAN. The Chairman shall be the chief executive officer of the Authority. He or she shall have the general power and duties of supervision and management of the Authority and of Innovation Park/Tallahassee, and shall perform all other such duties which may properly be required of him or her by the Board of Governors. With the concurrence of the Board of Governors, the Chairman may delegate the general powers of supervision and management of Innovation Park/Tallahassee to a full time employee of the Authority or to any person, firm or corporation which assumes such responsibility by contract.

Section 3. VICE CHAIRMAN. The Vice Chairman shall, in the absence or disability of the Chairman, perform the duties and exercise the powers of the Chairman and shall have such other powers and perform such other duties as are required of him or her by the Board of Governors.

Section 4. THE SECRETARY. The Secretary shall issue notices of meetings of the Board of Governors where such notices are required by law or these By-Laws. The Secretary shall keep a record of the proceedings of the Authority, shall be the custodian of all books and records of the Authority and of its official seal, and shall perform such other duties as usually pertain to the office and as may properly be required of him by the Board of Governors. The Secretary may authorize an employee of the Authority to record and prepare minutes of any Board meetings.

Section 5. THE TREASURER. The Treasurer shall have the care and custody of all the monies and securities of the Authority. He shall enter in books of the Authority to be kept by him for that purpose full and accurate accounts of all monies received by him and all monies paid by him for the account of the Authority. Subject to the requirements of Article IV, the Treasurer shall sign all checks and other instruments which require his signature and shall perform such other duties as usually pertain to the office and as may be properly required of him by the Board of Governors. If required by the Board of Governors, the Treasurer shall give the authority a bond in a sum and with one or more surety satisfactory to the Authority, for the faithful performance of his duties and the restoration to the Authority in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, monies and other property in his possession or under his control belonging to the Authority.

Section 6. OTHER OFFICERS AND COMMITTEES. The Board may appoint such other officers and committees as it may determine to be necessary, convenient or appropriate. The resolution appointing such other officer or committee shall state the powers of such officer or committee and the terms for which such officer or committee is appointed.

Section 7. TERMS OF OFFICE. All committees shall exist, and all officers shall hold office, strictly at the pleasure of the Board of Governors. Any officer may be removed with or without cause at any time by the affirmative vote of a majority of the Board of Governors present at a meeting at which a quorum is present at any duly called regular or special meeting of the Board.

Section 8. DELEGATION OF DUTIES. No officer shall, except with the express approval of the Board of Governors, delegate any of his powers or duties to any other person or persons. The Board of Governors may, in case of the absence or inability of any officer to act, delegate the powers or duties of such officer to any person whom the Board may select.

Section 9. VACANCIES. Vacancies in any office arising from any cause may be filled by the Board of Governors at any regular or special meeting.

Section 10. COMPENSATION. The salaries and other compensation, if any, of all officers shall be fixed by the Board of Governors.

Article IV.

Finances

The funds of the Authority shall be deposited in its name with such banks, trust companies, savings and loan associations, or other financial institutions, as authorized by law,

and the Board of Governors may from time to time designate. All checks, notes, drafts and other negotiable instruments of the Authority shall be signed by the Treasurer or such other officer, agent, Governor or employee or combination thereof, as the Board of Governors may from time to time by resolution require. No officer, agent, representative or employee of the Authority, either individually or acting together, shall have the power to make any check, note, draft or other negotiable instrument in the name of the Authority or to bind the Authority thereby except as provided in this Article.

Article V.

Authority Seal

The seal of the Authority shall be circular in form with the name of the Authority in the outer circle and the year 1978 and words "State of Florida" in the inner circle, and the seal impressed on the margin hereof is hereby adopted as the official seal of the Authority.

Article VI.

Notices

Whenever the provisions of the laws of the State of Florida or these By-Laws require notice to be given to any Governor or officer, that provision shall not be construed to require personal notice. Unless specifically required by statute, any and all such notices may be given in writing by depositing the same in a post office or letter box in a postpaid sealed wrapper addressed to the Governor or officer at his or her address as the same appears upon the books of

Authority and the time when the notice is mailed shall be deemed to be the time of the ^{giving of} that notice. Any and all such notices may also be given by prepaid telegram or by telephone.

Article VII.

Indemnification of Governors and Officers

- (a) The Authority hereby indemnifies any Governor or Officer made a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding:
- (1) Whether civil, criminal, administrative, or investigative (other than an action, suit or proceeding by or in the right of the Authority to procure a judgment in its favor) by reason of the fact that he is or was a Governor, officer, employee or agent of the Authority or director, officer, employee or agent of any corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Authority, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and reasonably incurred as a result of such action, suit or proceeding or any appeal thereof, if such person acted in good faith in the reasonable belief that such action was in or not opposed to the best interests of the Authority, and in criminal actions or proceedings, without reasonable ground for belief that such action was unlawful. The termination of any such action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not in itself create a presumption that any such Governor or officer did not act in good faith in the reasonable belief that such action was in or not opposed to the best interests of the Authority or that he had reasonable grounds for belief that such action was unlawful.

(2) By or in the right of the Authority to procure a judgment in its favor by reason of such person's being or having been a Governor or officer of the Authority or by reason of such person's serving or having served at the request of the Authority as a director, officer, employee or agent of any corporation, partnership, joint venture, trust or other enterprise, against any expenses, including attorneys' fees, actually and reasonably incurred by him in the defense or settlement of such action or suit, including any appeal thereof, if such person acted in good faith in the reasonable belief that such action was in or not opposed to the best interests of the Authority; except that no such person shall be entitled to indemnification in relation to matters as to which such person has been adjudged to have been guilty of gross negligence or willful misconduct, bad faith, malicious purpose, undisclosed conflict of interest or of acting in a manner exhibiting wanton and willful disregard of human rights, safety or property in the performance of his duties to the Authority.

(b) Indemnification under Paragraph (a) shall be made by the Authority only as authorized in the specific case upon a determination that amounts for which a Governor or officer seeks indemnification were properly incurred and that such Governor or officer acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Authority, and that, with respect to any criminal action or proceedings, he had no reasonable ground for belief that such action was unlawful. Such determination shall be made by the Board of governors by a majority vote of a quorum consisting of Governors who were not parties to such action, suit or proceeding.

(c) The Authority shall be entitled to assume the defense of any person seeking indemnification pursuant to the provisions of Subparagraph (a)(1) above upon a preliminary determination by the Board of Governors that such person has met the applicable standards of conduct set forth in Subparagraph (a)(1) above, and upon receipt of an undertaking by such person to repay all amounts expended by the Authority in such defense, unless it shall ultimately be determined that such person is entitled to be indemnified by the Authority as authorized in this paragraph. If the Authority elects to assume the defense, such defense shall be conducted by counsel chosen by it and not objected to in writing for valid reasons by such person. In the event that the Authority elects to assume the defense of any such person and retain such counsel, such person shall bear the fees and expenses of any additional counsel retained by him, unless there are conflicting interests as between the Authority and such person, or conflicting interests proceeding by such counsel retained by the Authority, that are, for valid reasons, objected to in writing by such person, in which case the reasonable expenses of such additional between or among such person and other parties represented in the same action, suit or representation shall be within the scope of the indemnification intended if such person is ultimately determined to be entitled thereto as authorized in this Paragraph.

(d) The foregoing rights of indemnification shall not be deemed to limit in any way the power of the Authority to indemnify under any applicable law.

Article VIII.

Amendments

These By-Laws may be amended, altered, or repealed, in whole or in part, by the affirmative vote of a majority of the members of the Board of Governors at any duly called regular or special meeting at which a quorum is present, provided notice of any proposal to do so has been incorporated in the notice of that meeting given to the members of the Board.

H:\users\DEVELCRDA\2002\By Laws Amend 102124.wpd

INNOVATION PARK

To: Members of the Recommendation Committee
From: Linda Nichol森 575-0343
Date: August 15, 2005
Re: Vacancy on the Board of Governor's of the Leon County Research and Development Authority

Effective September 30, 2005 the term of office for Sylvia Jordan will expire leaving a vacancy on the Board. Ms. Jordan informed me today that she told Commissioner Thael she would not seek reappointment.

I have contacted the agenda coordinator for the county and asked that they have the item on the county agenda at the meeting of September 20th. I am proposing the following schcdulc for the committee.

1. Committee members submit names and resumes for consideration by August 24th.
2. Resumes will be forwarded to all members and interviews scheduled for the week of August 29th
3. Interviews will be held and ranked by the committee. Top ranked individual name will be forward to the county for consideration by September 6th.

The new appointee should be willing to serve a four-year appointment from October 2005 through September 2009. Candidates must live in or have their primary business in Leon County. They will be representing the interests of the citizens of Leon County.

The Authority currently meets monthly on the third Tuesday of each month at 8:30 AM at Innovation Park. The meetings are approximately two hours long. Members from the private sector are sought who would also be willing to use their special talents to further the mission of the Authority.

I will be contacting you to establish dates and times for the interviews. In the meantime if you would like to nominate a replacement for Ms. Jordan, please forward their name and bio/resume to me for distribution to the other members. A list of current members of the Authority is included for your review.

Enclosures
Member list - Board of Governors
Procedures for membership committee

Leon County Research and Development Authority

Recommendations to the Board of County Commissioners for Membership

Overview and Procedures

The Leon County Research and Development Authority was established in 1980 under state legislation "for the purpose of development, operation, management, and financing of a research and development park." The Authority was chartered by the county and is affiliated with Florida A & M University and Florida State University.

The Authority has nine members. Five members are designated by county resolution to include:

1. The President of Florida State University or its designee
2. The President of Florida A and M University or its designee
3. The Mayor of the City of Tallahassee
4. The President of Tallahassee Community College
5. The Chairman of the Leon County Board of County Commissioners or its designee

In addition, the Board of County Commissioners appoints four other individuals from Leon County. According to County Ordinance 00-29, the membership may include at least one tenant of Innovation Park, and may include representatives of the private business sector from the following disciplines: Banking/Finance, Land Development/Real Estate, Marketing, and Land Use/Environmental Research.

The ordinance also specifies that The Tallahassee Chamber of Commerce/Economic Development Council of Tallahassee-Leon County, Inc., and the City of Tallahassee Economic Development Office will recommend names to the Board of County Commissioners for the representatives from the private business sector.

By request of the Tallahassee Chamber of Commerce /, and the City of Tallahassee Economic Development Office, The Capital City Chamber of Commerce, Inc., will also be included in the recommendation process. The three individuals representing the above organizations will serve as a Recommendation Committee.

The current members of the Recommendation Committee are:

Sue Dick, 224-8116- Economic Development Council of Tallahassee-Leon County, Inc.
Michael Parker, 891-8886 - City of Tallahassee Economic Development Office
Terence Hinson, 224-4775 - Capital City Chamber of Commerce, Inc.



When a vacancy from the private sector becomes available the executive director of the Authority will coordinate the process for the Recommendation Committee and the Board of County Commissioners. The following procedure will be followed:

1. The director will establish a timeframe for the Recommendation Committee and request that the Board of County Commissioners place the appointment on the agenda calendar.
2. The members of the Recommendation Committee will be notified of the vacancy and encouraged to submit names and resumes of individuals that are interested in serving on the Authority. The director will schedule interviews and forward copies of the resumes to all members.
3. On the date of the interviews, the committee members will participate in all interviews and rank the individuals.
4. The name of the top ranked individual will be forwarded to the Board of County Commissioners as the recommendation for the Authority.
5. The director will send all individuals involved in the process a follow up letter thanking them for participating in the selection process.

**Board of Governors
of the
Leon County Research and Development Authority**

**1. Appointment by President Wetherell
Mr. William Sweeney
Office of Vice President for Research**

**2. Appointment by President Bryant
Dr. Castell Bryant
President**

Appointments by the Leon County Board of Commissioners

**3. Commissioner Jane Sauls
Board of County Commissioners**

**4. Ms. Sylvia Jordan
Retired Business Owner**

**5. Mr. Mike Coburn
President, TallaTech**

**6. Mr. Ray Eaton
Vice President, E Group Systems**

**7. Mr. Tom Barron
President, Capital City Bank**

**8. Mr. Mark Mustian
Commissioner, City of Tallahassee**

**9. Dr. Bill Law
President, TCC**

ORDINANCE NO. 00-29

1
2
3 AN ORDINANCE OF THE BOARD OF COUNTY
4 COMMISSIONERS OF LEON COUNTY, FLORIDA,
5 AMENDING CHAPTER 2, ARTICLE III, DIVISION 2,
6 SECTION 2-57 OF THE CODE OF LAWS OF LEON
7 COUNTY, FLORIDA, RELATING TO THE MEMBERSHIP
8 OF THE LEON COUNTY RESEARCH AND DEVELOPMENT
9 AUTHORITY; PROVIDING FOR CONELICTS; PROVIDING
10 FOR SEVERABILITY; AND PROVIDING FOR AN
11 EFFECTIVE DATE.
12

13 BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF LEON
14 COUNTY, FLORIDA, that:

15 Section 1. Chapter 2, Article III, Division 2, Section 2-57 of the Code of Laws of Leon
16 County, Florida, is hereby amended, which article reads as follows:

17 Sec. 2-57. Membership; composition.

18 There shall be no less than ~~Of the~~ five members of the authority, in addition to ~~there shall~~
19 ~~be at all times~~ one member who is a representative of, and recommended by the president of, Florida
20 A & M University and another member who is a representative of, and recommended by the
21 president of, Florida State University. The membership may also include at least one tenant of
22 Innovation Park, and may include representatives of the private business sector from the following
23 disciplines: Banking/Finance, Land Development/Real Estate, Marketing, and Land
24 Use/Environmental Research, The Tallahassee Chamber of Commerce/Economic Development
25 Council of Tallahassee-Leon County, Inc., and the City of Tallahassee Economic Development
26 Office will recommend names to the Board of County Commissioners for the representatives from
27 the private business sector.
28

Section 2. Conflicts.

All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict, except to the extent of any conflicts with the Tallahassee-Leon County 2010 Comprehensive Plan as amended, which provisions shall prevail over any parts of this ordinance which are inconsistent, either in whole or in part, with the said Comprehensive Plan.

Section 3. Severability.

If any word, phrase, clause, section or portion of this ordinance shall be held invalid or unconstitutional by a court of competent jurisdiction, such portion or words shall be deemed a separate and independent provision and such holding shall not affect the validity of the remaining portions thereof.

Section 4. Effective Date.

This ordinance shall have effect upon becoming law.

DULY PASSED AND ADOPTED BY the Board of County Commissioners of Leon County, Florida, this 11 day of July, 2000.

LEON COUNTY, FLORIDA



BY: James G. Sauls
JAMES G. SAULS, CHAIRMAN
BOARD OF COUNTY COMMISSIONERS

ATTESTER BY:
DAVE LANG, CLERK OF THE COURT

BY: Dave Lang
CLERK



About Innovation Park

Innovation Park is a university related research park established in 1978 to draw on the resources of Florida A&M University and Florida State University to attract private industry.

Innovation Park Mission

- To foster and promote scientific research, technological development and educational activities
- Broaden the economic base of Leon County in affiliation with the local universities

Leon County Research and Development Authority

Innovation Park is owned and managed by the Leon County Research and Development Authority (LCRDA) - a public authority jointly governed by Leon County, the city of Tallahassee, Florida State University, Florida A&M University, Tallahassee Community College and local business representatives.

Members of the LCRDA are prominent business and community leaders, who work together to guide the growth and development of Innovation Park.

Park Facts

- 208 Acres
- Located in Southwest Leon County, just minutes from the Florida State Capitol
- Fourteen buildings completed totaling 800,000 square feet
- 21 lots currently developed
- 30 Organizations located at Innovation Park
- 1,500 people employed at Innovation Park

[Request additional information.](#)

[Home](#) :: [About Us](#) :: [Leasing](#) :: [Tenants](#) :: [Park News](#) :: [Contact](#) :: [Links](#)

Leon County Research Development Authority



Past and present members of the Leon County Research and Development Authority to celebrate the 25th anniversary.

FAMU/FSU College of Engineering



Innovation Park is adjacent to the College of Engineering, and is in close proximity to both universities. This unique proximity offers opportunities for the universities to work side by side in research and development.



Innovation Park Tenants

Innovation Park is currently home to the following tenants:

Beaches and Shores Resource Center

The Beaches and Shores Resource Center works to preserve Florida's state beaches through scientific studies for state programs related to coastal engineering and beach management.

Center for Advanced Power Systems

The Center for Advanced Power Systems (CAPS) is a joint venture of Florida State University, the FAMU-FSU College of Engineering and the National High Magnetic Field Laboratory. CAPS focuses on advanced power technologies with particular emphasis on transportation systems, as well as traditional utility systems.

Center for Biomedical and Toxicological Research

The Center for Biomedical and Toxicological Research (CBTR) addresses problems associated with environmental impacts to human health not only in Florida, but nationally and worldwide.

Center for Earth Surface Processes Research

The vision of the Center for Earth Surface Processes Research is to pursue basic theoretical, experimental and field-based research necessary to elucidate and quantify surface processes at fundamental levels, and assimilate this information into next-generation numerical modeling capabilities.

Center for Economic Forecasting and Analysis

The Center for Economic Forecasting and Analysis (CEFA) specializes in applying advanced, computer-based economic models and techniques to examine and help resolve pressing public policy issues across a spectrum of research areas.

Center for Nonlinear and Nonequilibrium Aeroscience

The NASA-FAMU Center for Nonlinear and Nonequilibrium Aeroscience (CeNNAs) conducts research in physics and mechanical engineering on the dynamics and

Tenant Spotlight



Talla-com Industries, Inc. is a sector tenant at Innovation Park.

Talla-com Industries, Inc.



About 250 people work at Talla-com Industries, Inc. a company that specializes in the manufacturing of electronics.

aerothermochemistry of gases and materials relevant to the NASA aeronautics Enterprise'

Center for Ocean Atmospheric Prediction Studies

COAPS researches the changes in the Earth's climate that are affected by the tropical and mid-latitude oceans on a yearly basis and through the decades. Recently, COAPS has been recognized around the world for its studies on the impact of El Nino on severe weather.

Center for Information, Training and Evaluation Services

CITES at Florida State University combines applied research, advanced technologies and training programs to create top-quality services and products.

College Center for Library Automation

CCLA provides Florida community colleges with service and leadership in statewide automated library and information resources.

Department of Agriculture and Consumer Affairs

Bureau of Seafood and Aquaculture

The Bureau of Seafood and Aquaculture works to ensure that Florida's citizens are educated about Florida's aquaculture system and seafood industry.

Department of Environmental Regulation - Bureau of Mine Reclamation

The Bureau of Mine Reclamation is a division of the Florida Environmental Protection. This agency oversees the programs and resources designed to regulate Florida's mines.

Department of Transportation Structural Research Laboratory

The DOT Structural Research Laboratory is one of the leading laboratories in the country that test the integrity of materials used to build bridges and roadways.

Enterprise Resource Planning - FAMU

The Enterprise Resource Planning Project at Florida A&M University strives to provide an integrated, web-based, management information system to provide the university community with accurate, secure and accessible data on a variety of financial transactions.

Enterprise Resource Planning - FSU

The Enterprise Resource Planning System at Florida State University is an integrated data system that promises to reduce redundant data entry and redefine processes.

FAMU Office of Technology Transfer

The FAMU Office of Technology Transfer assists the university community in securing patents, licensing, marketing innovations and other technological pursuits.

FAMU-FSU College of Engineering

Founded as a joint venture of two highly prestigious universities in the Southeast United States. The College of Engineering is a leading academic institution with excellent records of achievement in research and public service.

Department of Industrial Engineering at FAMU-FSU College of Engineering

The Department of Industrial Engineering offers courses leading to the Bachelor of Science (BSIE), Master of Science (MSIE) and Doctor of Philosophy (Ph.D.) degrees. Industrial Engineering focuses on the design, improvement and installation of integrated systems of people, material, information, equipment and energy.

Florida Center for Public Management

The Florida Center for Public Management is a professional services organization committed to maximizing change in the public sector by developing leadership, management, and organizational capacities in state and local government in Florida.

Florida Center for Tobacco Education

The Florida Center for Tobacco Education enlists the abilities and resources of Florida's youth against the use of tobacco.

Florida Conflict Resolution Consortium

The Florida Conflict Resolution Consortium was created to bring Floridians together by collectively solving public disputes and to minimize the costs of litigation and administrative appeals associated with those public disputes.

Florida Resources and Environmental Analysis Center (FREAC)

The FREAC conducts research on resource management and environmental analysis to share with state and local agencies. They also allow university students to work on their projects so they can gain field experience.

Florida State University Academic Computing and Network Services

Florida State University's Academic Computing and Network Services creates and maintains all of FSU's official Web sites and provides users with helpful hints to get the most out of their FSU internet experience.

Florida State University Golf Course

Adjacent to the FSU-FAMU College of Engineering in Innovation Park, the

Seminole Golf Course is an 18-hole, 7,033-yard, par-72 course.

Florida State University Human Subjects Committee

Florida State University's Institutional Review Board is commonly referred to the "Human Subjects Committee." The committee reviews and determines whether to allow tests on human subjects for research projects at the University.

Florida State University Research Foundation, Inc.

FSU's Research Foundation is a not-for-profit organization created to bring the research of FSU students, faculty and staff into the public marketplace.

Global Biotechnology, Inc.

Institute of Health and Human Services

The Institute of Health and Human Services Research works to disseminate the information they find in their research to improve public policy.

Institute of Science and Public Affairs

The Institute of Science and Public affairs helps government and private sector industries solve a variety of policy problems from waste management to conflict resolution.

IntegrISource, Inc.

A Tallahassee based national information technology staffing provider with a focus to retain local IT professionals and recruit experienced IT professionals to Tallahassee to meet the needs of our clients. We offer contract, contract to hire and permanent placement services to the public and private sector businesses.

Learning Systems Institute

The Learning Systems Institute strives to improve education through reforms at state and national levels, develop educational systems internationally, and design, develop and implement performance support systems.

Leon County Research and Development Authority

A public authority jointly governed by Leon County, the city of Tallahassee, Florida State University, Florida A&M University, Tallahassee Community College and local business representatives.

National High Magnetic Field Laboratory

The National High Magnetic Field Lab is the only facility of its kind in the United States. It is the largest and highest powered of the nine magnet laboratories in the world. The lab is dedicated to providing research and learning opportunities to

students and scientists.

National Park Service Southeast Archeological Center

The Southeast Archeological Center maintains the tradition of archeological research, collections and information management, and technical support for national park units located in the Southeast Region of the National Park Service.

Northwest Regional Data Center

The Northwest Regional Data Center provides computing facilities, equipment and technical support to education and government entities throughout Florida.

Talla-Com Industries

Talla-Com Industries specializes in designing and manufacturing high volume, high reliability RF and digital communications equipment and components along with related electromechanical integration and testing.

Talla-Tech Industries

Talla-Tech is a wholly-owned subsidiary of Talla-Com developing military and commercial communications equipment.

United States Geological Survey-Florida Integrated Science Center (FISC)

FISC scientists conduct research in the physical and biological sciences, providing reliable scientific data and information to: describe and understand the earth; minimize loss of life and property from natural disasters; manage water, biological, energy and mineral resources and enhance and protect our quality of life.

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**LEON COUNTY RESEARCH & DEVELOPMENT AUTHORITY
 MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Authority's management discussion and analysis presents an overview of the Authority's financial activities for the fiscal year ended September 30, 2004. Please read it in conjunction with the Authority's financial statements.

The Authority has implemented Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*. This statement requires governmental entities to report finances in accordance with specific guidelines. This section of the report is intended to provide a brief, objective, and easily readable analysis of the Authority's financial performance for the year and its financial position at fiscal year end September 30, 2004.

Overview of the Financial Statements

The Authority is supported entirely by fees charged for the services it provides. Accordingly, the Authority is considered a Enterprise Fund and utilizes the accrual basis of accounting. The basic financial statements for a Enterprise Fund include: Statement of Net Assets; Statement of Revenues, Expenses and Changes in Net Assets; and a Statement of Cash Flows. The basic financial statements provide readers with a broad view of the Authority's finances, in a manner similar to a private-sector business. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis

A comparison summary of the Statement of Net Assets is presented below:

| Summary of Net Assets | 2004 | 2003 | % Change |
|-------------------------------------|----------------------|----------------------|---------------|
| Current and Other Assets | \$ 3,027,104 | \$ 3,956,701 | -23.5% |
| Capital Assets, Net of Depreciation | 11,726,068 | 12,112,322 | -3.2% |
| Non-current Assets | 1,350,561 | 116,284 | 1061% |
| Total Assets | 16,103,733 | 16,185,307 | -0.5% |
| Current Liabilities | 921,848 | 904,231 | 1.9% |
| Non-current Liabilities | 4,369,087 | 5,003,634 | -12.7% |
| Total Liabilities | 5,290,935 | 5,907,865 | -10.4% |
| Invested in Capital Assets | 8,849,944 | 8,729,255 | 1.4% |
| Restricted Net Assets | 8,842 | 8,842 | 0.0% |
| Unrestricted Net Assets | 1,954,012 | 1,539,345 | 26.9% |
| Total Net Assets | \$ 10,812,798 | \$ 10,277,442 | 5.2% |

LEON COUNTY RESEARCH & DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Non-current assets consist of unamortized bond costs and investment in U.S. Treasury notes with maturity dates extending beyond the end of the fiscal year.

Invested in Capital Assets represent the Authority's long-term investment in capital assets, net of accumulated depreciation, and is not available for current operations. Restricted net assets consist of restricted cash designated as park improvement funds, less associated liabilities.

A comparative summary of changes in net assets is presented below:

| Summary of Changes in Net Assets | 2004 | 2003 | % Change |
|----------------------------------------------------|--------------|--------------|----------|
| Operating Revenues (Lease Revenue and Other) | \$ 1,497,131 | \$ 1,476,349 | 1.4% |
| Non-operating Revenues (Investment Income) | 57,880 | 35,997 | 60.8% |
| Total Revenues | 1,555,011 | 1,512,346 | 2.8% |
| Operating Expenses | 843,576 | 909,537 | -7.3% |
| Non-operating Expenses (Interest and Amortization) | 176,079 | 194,801 | -9.6% |
| Total Expenses | 1,019,655 | 1,104,338 | -7.7% |
| Change in Net Assets | \$ 535,356 | \$ 408,008 | 31.2% |

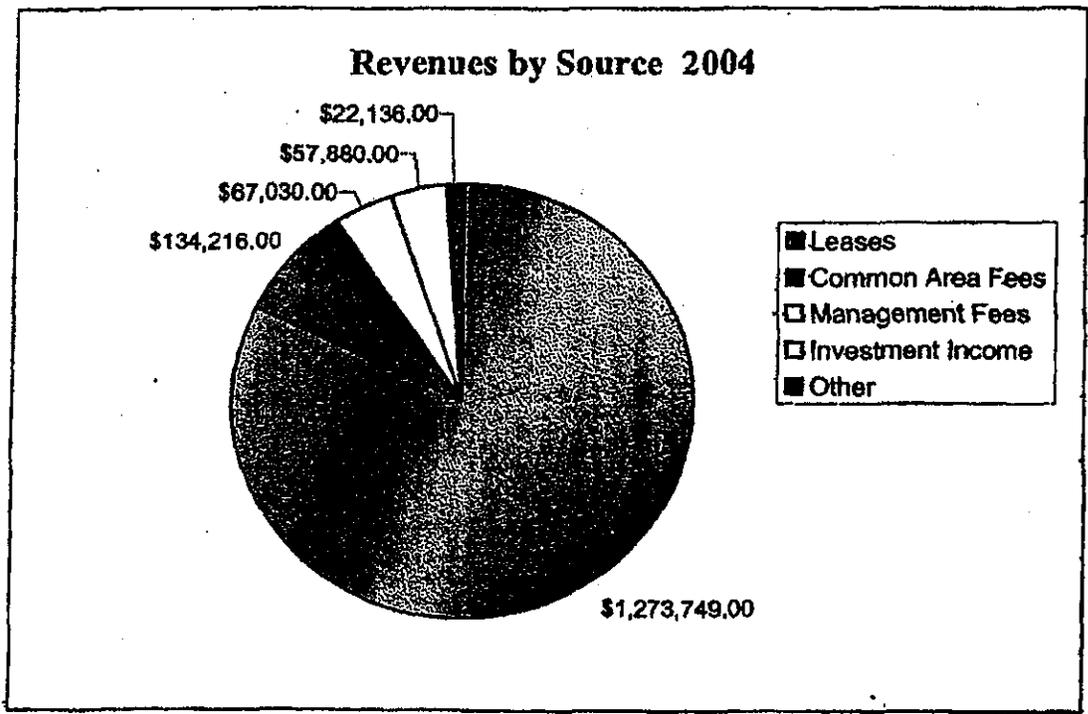
Net assets increased due to increased Common Area Fees and Management Fees, and reductions in both operating and non-operating expenses, indicating an improvement in financial position during fiscal year 2004.

The Authority is reliant upon continued tenant occupancy for future financial stability. In order to expand its role to support economic development and attract technology related businesses to Innovation Park, the Authority recently approved funding for the Innovation Park Technology Commercialization Grant Program. This program will offer financial assistance to technology-related products and services for companies with commercial potential. Grant monies of \$45,000 have been approved for disbursement in fiscal year 2005. In addition, \$100,000 has been approved for economic development activities.

Other initiatives made by the Authority involve updating the Authority's master plan. The Authority intends to collect feedback from Innovation Park tenants to gather suggestions and ideas for future growth and development. The estimated cost for park planning and development for 2005 is \$470,000.

**LEON COUNTY RESEARCH & DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Graphic presentation of income data from the summary tables follow to assist in the analysis of the Authority's activities for fiscal year 2004:



As graphically portrayed above and discussed earlier, the Authority is heavily reliant on tenant leases to support operations. Tenant leases provided 80% of the Authority's total revenues for fiscal year 2004. Other fees consist of impact fees and other miscellaneous income.

Budgetary Highlights

The Authority's revenue budget for fiscal year 2004 was approximately \$1,509,916. This was a decrease of \$13,645 over the previous year budget.

The Authority ended the year with a net budget surplus of \$406,374. A substantial amount of the surplus resulted from lower expenses than budgeted for the Authority's Master Plan, Plan Unit Development (PUD) and Development of Regional Impact (DRI). The amount budgeted for these activities was \$710,000; related expenses totaled \$30,351. In addition, \$20,282 budgeted for contingencies was not expended.

LEON COUNTY RESEARCH & DEVELOPMENT AUTHORITY
ANNUAL BUDGET 10/1/04 - 09/30/05

| | Projected Cash Balance at 10/1/04 | Unrestricted | Restricted | |
|---------|-----------------------------------|--------------|------------|-----------|
| 010-010 | Checking | 2,581,889 | | |
| 012-10 | State Investment Pool | 1,163,247 | ** 3,876 | LCRDA |
| 012-10 | Road Project Money | | 85,328 | Total |
| | | 3,724,936 | 89,204 | 3,814,140 |

| <u>Revenues</u> | | Bdgt | Estimated | Bdgt |
|-----------------|--------------------------------------|------------------|------------------|------------------|
| | | 2004-2005 | 2003-2004 | 2003-2004 |
| 810-00 | Rental Income-Admin Centre | 7,140 | 3,473 | 2,251 |
| 811-00 | Rental Income-Phipps Bldg Sch 1 | 27,520 | 27,520 | 27,520 |
| 811-01 | Rental Income-Collins Bldg-Sch 2 | 59,836 | 59,836 | 59,836 |
| 813-1-13 | Rental Income-Research Complex-Sch 3 | 108,048 | 175,884 | 168,428 ** |
| 814-00 | Rental Income-Centennial Bldg-Sch | 256,320 | 256,320 | 256,320 |
| 815-00 | Rental Income-Johnson-Sch 5 | 82,236 | 82,236 | 82,236 |
| 817-00 | Rental Income-Shaw-Sch 6 | 424,824 | 424,824 | 424,824 |
| 830-00 | Concessions - Kelly's Vending | 0 | 900 | 1,200 |
| | <i>Rental Income</i> Subtotal | 985,724 | 1,030,793 | 1,020,413 |
| 820-00 | Common Area | 144,582 | 137,014 | 137,014 |
| 821-00 | Management Fees | 67,030 | 67,030 | 67,030 |
| 835-00 | Interest Income | 40,000 | 40,000 | 40,000 |
| 822-00 | FSURF-Impact Fee | 15,347 | 15,347 | 15,347 |
| | <i>Other Income</i> Subtotal | 266,859 | 259,391 | 259,391 |
| | Total Revenues | 1,232,683 | 1,290,184 | 1,279,804 |

| <u>Expenses & Bond Payments</u> | | | | |
|-------------------------------------|--------------------------------------|----------------|----------------|----------------|
| <u>Administrative Expenses</u> | | | | |
| 810-00 | Salaries | 145,833 | 138,562 | 138,562 |
| 812-00 | Retirement Expenses | 2,558 | 2,416 | 2,416 |
| 813-00 | Social Security | 12,252 | 10,600 | 10,600 |
| 814-00 | Workers Compensation Ins. | 2,990 | 2,710 | 2,710 |
| 815-00 | Health Insurance | 4,802 | 4,210 | 4,210 |
| 821-00 | Office Supplies & Copy Expense | 3,500 | 3,500 | 3,500 |
| 822-00 | Postage | 450 | 400 | 400 |
| 832-00 | Legal Representation | 60,000 | 60,000 | 60,000 |
| 833-00 | Accounting | 28,000 | 28,000 | 28,000 |
| 836-00 | Telephone, DSL, Cell | 5,000 | 4,308 | 4,308 |
| 838-00 | Membership & Dues | 12,465 | 12,385 | 12,385 |
| 840-00 | Vehicle Mileage | 511 | 375 | 375 |
| 870-00 | Supplies & Other Maintenance | 7,000 | 7,000 | 7,000 |
| 871-00 | Ground Maintenance | 16,000 | 15,500 | 15,500 |
| 872-00 | Contingency Fund | 0 | 30,000 | 40,000 |
| 875-00 | General Authority Expense | 5,000 | 5,000 | 5,000 |
| 877-00 | Sonitrol | 1,600 | 1,600 | 1,600 |
| 874-00 | Park Marketing / PR / Consultant | 85,000 | 74,000 | 74,000 |
| 841-00 | Travel / Conferences | 7,200 | 7,200 | 7,200 |
| 842-00 | Staff Development | 1,000 | 375 | 500 |
| | Total Administrative Expenses | 401,161 | 408,141 | 418,269 |

* Funds left over from a project in 1988-89

** Income from the Research Complex assumes continued occupancy by existing tenants

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 LEON COUNTY RESEARCH & DEVELOPMENT AUTHORITY
 ANNUAL BUDGET 10/1/04 - 09/30/05

Building Expenses & Bond Payments

| | | Bdgt | Estimated | Bdgt |
|--------|------------------------------------------------------|------------------|------------------|------------------|
| | | 2004-2005 | 2003-2004 | 2003-2004 |
| 885-00 | Utilities - Adm | 3,700 | 3,700 | 3,700 |
| 886-00 | Insurance - Adm | 2,300 | 2,300 | 2,300 |
| | Phipps Bldg Expenses | 1,500 | 1,500 | 1,500 |
| | Collins Bldg Expenses | 1,700 | 1,700 | 1,700 |
| | Research Complex Expenses | 86,080 | 55,850 | 108,708 |
| | Centennial Bldg Expenses | 211,388 | 211,378 | 211,378 |
| | Johnson Bldg Expenses | 0 | 0 | 0 |
| | Shaw Bldg Expenses | 342,697 | 342,697 | 342,697 |
| | Total Bldg Exp & Bond Pymts | 649,365 | 619,125 | 671,983 |
| | Adm Expenses-Page 1 | 401,161 | 408,141 | 418,269 |
| 874-01 | Economic Development Activities | | | |
| | General Economic Development Activities | 100,000 | 0 | 0 |
| | Research Grants | 45,000 | 0 | 0 |
| | | 145,000 | 0 | 0 |
| | Capital Outlay | | | |
| 121-04 | Adm Improvement / Repairs | 15,000 | 0 | 12,000 |
| 121-07 | Master Plan and PUD | 470,000 | 48,745 | 485,000 |
| 130-00 | Technology & Equip. Updates | 2,000 | 23,000 | 23,050 |
| | Total Capital Outlay | 487,000 | 71,745 | 520,050 |
| | Total Expenditures & Bond Pymts | 1,682,526 | 1,099,011 | 1,610,302 |
| | Total Revenues - page 1 | 1,232,683 | 1,290,184 | 1,279,804 |
| | Est Cash Flow Before Adjmts | (449,843) | 191,173 | (330,498) |
| | Add Back Bond Prin Pymts & Capital Outlay | | | |
| 912-00 | Phipps Bond Pymt | 0 | 0 | 0 |
| 912-10 | Collins Bond Pymt | 0 | 0 | 0 |
| 913-00 | Centennial Bond Pymt | 177,238 | 167,097 | 167,097 |
| 914-00 | Shaw Bond Pymt | 227,104 | 217,695 | 217,695 |
| | Total Bond Prin Pymts | 404,342 | 384,792 | 384,792 |
| 121-04 | Adm Improvements / Repairs | 15,000 | 0 | 12,000 |
| 121-07 | Master Plan and PUD | 470,000 | 48,745 | 485,000 |
| 130-00 | Technology & Equip. Updates | 2,000 | 23,000 | 23,050 |
| | Total Capital Outlay | 487,000 | 71,745 | 520,050 |
| | Current Year Balance | 441,489 | 647,710 | 574,344 |
| | Less Depre & Amortization | 441,101 | 445,362 | 445,362 |
| | Projected Net Income | 388 | 202,348 | 128,982 |

* new category / funding from DRI, which will not be initiated for this budget period
 ** \$85,328 will come from restricted road project

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 LEON COUNTY RESEARCH & DEVELOPMENT AUTHORITY
 ANNUAL BUDGET 10/1/04 - 09/30/05

PHIPPS Building
 Schedule 1

| | Bdgt 2004-2005 | Estimated Actual 2003-2004 | Bdgt 2003-2004 |
|---------------------------------|-------------------|----------------------------------|-------------------|
| 811-00 Rental Income | 27,520 | 27,520 | 27,520 |
| Expenditures | | | |
| 890-13 Bond Maintenance Expense | 0 | 0 | 0 |
| 890-02 Insurance | 1,500 | 1,500 | 1,500 |
| Subtotal Operating Expenses | 1,500 | 1,500 | 1,500 |
| 890-00 Bond Principal Payment | 0 | 0 | 0 |
| 890-15 Interest Expense | 0 | 0 | 0 |
| Subtotal Prin and Interest | 0 | 0 | 0 |
| Total Expenditures | 1,500 | 1,500 | 1,500 |
| New Cash Flow | 26,020 | 26,020 | 26,020 |

NOTE: This bond was paid off in June 2002

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 LEON COUNTY RESEARCH & DEVELOPMENT AUTHORITY
 ANNUAL BUDGET 10/1/04- 09/30/05

COLLINS Building
 Schedule 2

| | Bdgt 2004-2005 | Estimated Actual 2003-2004 | Bdgt 2003-2004 |
|---------------------------------|-------------------|----------------------------------|-------------------|
| 811-10 Rental Income | 59,836 | 59,836 | 59,838 |
| Expenditures | | | |
| 892-13 Bond Maintenance Expense | 0 | 0 | 0 |
| 892-02 Insurance | 1,700 | 1,700 | 1,700 |
| Subtotal Operating Expenses | 1,700 | 1,700 | 1,700 |
| 890-00 Bond Principal Payment | 0 | 0 | 0 |
| 890-15 Interest Expense | 0 | 0 | 0 |
| Subtotal Prin and Interest | 0 | 0 | 0 |
| Total Expenditures | 1,700 | 1,700 | 1,700 |
| New Cash Flow | 57,936 | 57,936 | 57,938 |

NOTE: This bond was paid off in July 2002

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 LEON COUNTY RESEARCH & DEVELOPMENT AUTHORITY
 ANNUAL BUDGET 10/1/04 - 09/30/05

Research Complex
Schedule 3

| Rental Income | | | Bdgt | Estimated | Bdgt |
|------------------------------------|-----------------------------------|-----------|----------------|----------------|----------------|
| | | | 2004-2005 | 2003-2004 | 2003-2004 |
| 613-01 | FSU Computing Center | FSU 1 & 2 | 0 | 0 | 0 |
| 613-01 | Office of Research | FSU 3 | 0 | 0 | 0 |
| 613-03 | Beaches & Shores | | 33,142 | 44,189 | 33,142 |
| 613-04 | Center for Biomedical and | CBTR 1 | 32,625 | 43,500 | 43,500 |
| 613-04 | Toxicological | CBTR 3 | 4,872 | 6,498 | 6,498 |
| 613-04 | Research | CBTR 4 | 5,166 | 6,888 | 6,888 |
| 613-06 | FSU Office of Research | FSU 5 | 2,589 | 10,343 | 7,758 |
| 613-07 | Inst. Health & Human Services | FSU 4 | 0 | 30,651 | 33,437 |
| 613-11 | CITES | FSU 6 | 4,872 | 4,872 | 4,872 |
| 613-13 | CITES | FSU 8 | 22,010 | 22,010 | 22,010 |
| 613-09 | Partnership for Alcohol | | 0 | 4,163 | 5,551 |
| 613-10 | Fl. Cntr. for Prevention Research | CFTE | 2,772 | 2,772 | 2,772 |
| Total Income | | | 108,048 | 175,864 | 166,426 |
| Expenditures | | | | | |
| 895-02 | Insurance | | 2,850 | 2,500 | 2,500 |
| 895-03 | Elevator | | 270 | 280 | 280 |
| 895-04 | Cleaning & Painting | | 11,500 | 0 | 11,500 |
| 895-07 | Utilities | | 23,000 | 22,500 | 23,000 |
| 895-08 | Pest Control | | 610 | 550 | 285 |
| 895-09 | Lawn maintenance | | 9,350 | 7,040 | 3,063 |
| 895-10 | Janitor | | 13,000 | 11,800 | 15,000 |
| 895-11 | Heat & Air Main. & Replacemt | | 10,000 | 3,500 | 15,500 |
| 895-12 | Miscellaneous repairs | | 15,500 | 7,700 | 37,600 |
| 895-13 | Bond Maintenance Expense | | 0 | 0 | 0 |
| Subtotal Operating Expenses | | | 86,080 | 55,850 | 108,708 |
| 895-00 | Principal Payment-Series A | | 0 | 0 | 0 |
| 895-15 | Interest Expense-Series A | | 0 | 0 | 0 |
| 895-00 | Principal Payment-Series B | | 0 | 0 | 0 |
| 895-16 | Interest Expense-Series B | | 0 | 0 | 0 |
| Subtotal Prin and Interest | | | 0 | 0 | 0 |
| Total Expenditures | | | 86,080 | 55,850 | 108,708 |
| Net Cash Flow | | | 21,968 | 120,014 | 57,718 |

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 LEON COUNTY RESEARCH & DEVELOPMENT AUTHORITY
 ANNUAL BUDGET 10/1/04 - 09/30/05

CENTENNIAL Building
Schedule 4

| | Bdgt 2004-2005 | Estimated Actual 2003-2004 | Bdgt 2003-2004 |
|---------------------------------|-------------------|----------------------------------|-------------------|
| 614-00 Rental Income | 256,320 | 258,320 | 258,320 |
| Expenditures | | | |
| 887-13 Bond Maintenance Expense | 530 | 530 | 530 |
| 887-02 Insurance | 2,000 | 2,000 | 2,000 |
| Subtotal Operating Expenses | 2,530 | 2,530 | 2,530 |
| 887-00 Bond Principal Payment | 177,238 | 167,097 | 167,097 |
| 887-15 Interest expense | 31,620 | 41,751 | 41,751 |
| Subtotal Prin and Interest | 208,858 | 208,848 | 208,848 |
| Total Expenditures | 211,388 | 211,378 | 211,378 |
| New Cash Flow | 44,932 | 44,942 | 44,942 |

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 LEON COUNTY RESEARCH & DEVELOPMENT AUTHORITY
 ANNUAL BUDGET 10/1/04 - 09/30/05

JOHNSON Building
 Schedule 5

| | Bdgt 2004-2005 | Estimated Actual 2003-2004 | Bdgt 2003-2004 |
|-------------------------------|-------------------|----------------------------------|-------------------|
| 615-00 Rental Income | 82,236 | 82,236 | 82,236 |
| Defered Amortized Income | 230,112 | 230,112 | 230,112 |
| Total Income | 312,348 | 312,348 | 312,348 |
| | | | |
| Less Defered Amortized Income | 230,112 | 230,112 | 230,112 |
| | | | |
| Net Cash Flow | 82,236 | 82,236 | 82,236 |

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 LEON COUNTY RESEARCH & DEVELOPMENT AUTHORITY
 ANNUAL BUDGET 10/1/04 - 09/30/05

SHAW Building
 Schedule 6

| | Bdgt 2004-2005 | Estimated Actual 2003-2004 | Bdgt 2003-2004 |
|---------------------------------|-------------------|----------------------------------|-------------------|
| 617-00 Rental Income | 424,824 | 424,824 | 424,824 |
| Expenditures | | | |
| 891-13 Bond Maintenance Expense | 2,650 | 2,650 | 2,650 |
| Subtotal Operating Expense | 2,650 | 2,650 | 2,650 |
| 891-00 Bond Principal Payment | 227,104 | 217,695 | 217,695 |
| 891-15 Interest Expense | 112,943 | 122,352 | 122,352 |
| Subtotal Prin & Interest | 340,047 | 340,047 | 340,047 |
| Total Expenditures | 342,697 | 342,697 | 342,697 |
| Net Cash Flow | 82,127 | 82,127 | 82,127 |

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LEON-COUNTY RESEARCH & DEVELOPMENT AUTHORITY
ANNUAL BUDGET 10/1/04 - 9/30/05

Road Project

Road Signage and Lighting

85,328

**Innovation Park Task Force
Report to the Board of County Commissioners**

I. OVERVIEW

On April 29, 2003, the Board of County Commissioners authorized a Task Force to review the issues surrounding the role and impact of Innovation Park in the economic development of Tallahassee and Leon County. In particular, the Task Force was to review extant plans for the expansion and development of a 'University Campus' on the part of Florida State University and to determine the impact of those plans.

- The Innovation Park Task Force was comprised of:
- Mr. Tony Grippa, Chairman, Board of County Commissioners
 - Mr. John Marks, Mayor, City of Tallahassee
 - Ms. Sylvia Jordan, Chair, Leon County Research and Development Commission
 - Ms. Sue Dick, President, Economic Development Council
 - Dr. T.K. Wetherell, President, Florida State University
 - Dr. Fred Gainous, President, Florida A&M University
 - Dr. Bill Law, President, Tallahassee Community College

To fulfill its charge, the Task Force met on three occasions in publicly advertised meetings. A working decision was reached that the Task Force would not seek public testimony in its meetings. Information needs to assist the work of the Task Force would be handled by the respective members.

II. EXECUTIVE SUMMARY OF THE INNOVATION PARK TASK FORCE REPORT

A series of recommendations was adopted by the Task Force toward the end of providing guidance and energy to the present discussions on expanding economic opportunities in Tallahassee/Leon County. These recommendations include:

- a moderate restructuring of the Board of Innovation Park;
- the initiation of a more aggressive marketing campaign for the park;
- a more focused role and responsibility for the universities and community college;
 - incentives for increased participation in Innovation Park
 - establishment of a business incubator
 - provision for expansion of the FAMU-FSU College of Engineering
- expansion of the size of Innovation Park;
- review of land use and ownership by city, county, and state for major parcels proximate to Innovation Park or the University campus;
- enhancement of roads and related access to Innovation Park, Florida A&M University, and downtown Tallahassee;

- that a concept of an "Education Quadrant" be further developed toward the end of unifying the several major initiatives presently identified in support of community and economic development.

The deliberations of the Task Force also addressed three issues that had emerged in civic discussions at the time the Task Force was established:

- First, the efforts of the Innovation Park Task Force were not intended to supplant the Mayor's Economic Summit. Indeed, it became clear that these two initiatives were complementary in their scope and focus.
- Second, the efforts of the Innovation Park Task Force were not related to organizational issues pertaining to the FAMU-FSU College of Engineering.
- Third, the earlier plans put forward by Florida State University for the creation of a 1,500 acre University Park campus under the purview of an expanded, Innovation Park Board were being reformulated by the new administration.

III. SPECIFIC RECOMMENDATIONS OF THE INNOVATION PARK TASK FORCE

Section One: Areas of common consensus

1. That the Board of Innovation Park be expanded to include the Mayor of the City of Tallahassee and the president of Tallahassee Community College;

The Board of Directors of Innovation Park has indicated its support for this recommendation and will present the necessary request to the Board of County Commissioners in the near future.

2. That the concept of an Education Quadrant as a unifying vision of a cohesive strategy for Tallahassee's economic development be further developed;

Still in a conceptual stage, the Education Quadrant is intended to provide a unifying vision for the growth of Tallahassee's southwest area. Within the Education Quadrant are located FSU, FAMU, TOC all of which will spend millions of dollars in the coming decade on growth and enhancement. Similarly, expenditures identified in Blueprint 2000, in the enhancement of Leon County schools, at the Tallahassee Regional Airport, at Innovation Park and in the Cascades Trail initiative will also add significantly to the improvement of this part of our community. Relating the projects to each other to the maximum extent possible has the added benefit of making 'the whole greater than the sum of the parts.'

As this concept takes shape, existing plans for the institutions should be the basis for moving forward. The concept is not intended to cause major redirection of existing efforts, but rather to meld these existing efforts into a more cohesive and mutually supportive community plan.

Section Two: Specific recommendations

1. That Innovation Park acquire additional land to assure its ability to support all of the necessary facets of economic development;

This recommendation is an important part of the larger effort to find the 'highest and best use' for a number of parcels owned by the city, county, and state in the area of Innovation Park and the University Campus. At present fewer than 100 acres remain available for new development.

2. That the Innovation Park Board establish incentives for Florida State University, Florida A&M University, and Tallahassee Community College to encourage the enthusiastic pursuit of employers to locate or remain in the park;

FSU, FAMU, and to a lesser extent TCC, have contacts in the national and international communities that might provide opportunities to attract new investments in Innovation Park. The Task Force discussed several options, particularly relating to assignment of land for the education institutions to control, that could add to the active 'marketing' of Innovation Park. Other incentives to attract or retain tenants should be developed by the Innovation Park Board.

3. That land immediately adjacent to the FAMU-FSU College of Engineering be assigned to the College of Engineering for its future growth and development;

An important outcome of the Task Force's work was the clarification that the future of the College of Engineering was not within the purview of the Board of Innovation Park. At the same time, the value of the College of Engineering (COE) and its proximate location to Innovation Park cannot be overestimated. Consequently, the Task Force has recommended that some acreage immediately adjacent to the present site of the College of Engineering be designated for use by the COE. Again, the Innovation Park Board has indicated its support for the recommendation.

4. That the City Commission and the Board of County Commissioners review the existing plans for tracts of land under their purview to determine how such land can be used to the benefit of economic development in Innovation Park, specifically, and in the Education Quadrant, generally;

Both governmental entities had made land acquisitions in years past in the area under review by the Task Force. It appears obvious that a forward looking assessment of how these lands can best be used to encourage/support economic and community development is timely. Commissioner Grippa and Mayor Marks indicated that they would initiate these reviews.

A map indicating the location of these parcels is included at Attachment A.

5. That an aggressive plan for marketing Innovation Park be adopted by the Board of Innovation Park;

- a. a preeminent role in the plan's development and implementation, being assigned to Florida State University, Florida A&M University, and Tallahassee Community College;
- b. the plan should also identify the highest and best use of the revenues, present and future, available to the Innovation Park Board.

As noted above, the need for FAMU, FSU, and TCC to become more active in the development of Innovation Park is indicated. The considerable expertise of the three institutions in this area will be needed to assure that Innovation Park remains viable in the ever more competitive pursuit and retention of quality employment opportunities.

Innovation Park has exercised prudent management of its resources and finds itself in a position where it presently has more than \$3.4 million in reserve, with that amount rising to nearly \$10 million by the end of the decade. The Innovation Park Task Force urges that an appropriate amount of these valuable resources be committed to a renewed effort to market the opportunities for job development and retention in Tallahassee and Leon County.

Section Three: Other recommendations related to economic development

1. That a plan for the establishment of an "Incubator" site be undertaken immediately, calling upon the leadership of FAMU, FSU, and TCC to lead the plan and recommend its implementation to the Board of Innovation Park.

This recommendation is intended to recognize that all three institutions have efforts presently underway to support job growth. Joining these efforts with the resources of Innovation Park seems like a logical step in attempting to "jumpstart" activities in the growth of local job development.

2. That local government entities develop an aggressive 'permit-friendly' land use plan for the encouragement of quality student housing by private developers within the Education Quadrant;
 - a. the plan should anticipate a 10,000 to 15,000 student growth in the higher education institutions in Tallahassee in the next decade;
 - b. the plan should encourage public transportation for student use;
 - c. University master plans should be incorporated into the overall planning;
 - d. Housing for non-students needs to be included;
 - e. The overall plan needs to be related to similar planning initiatives for Tallahassee's downtown and for the implementation of Blueprint 2000

The continued growth of Tallahassee's three higher education institutions is a critical component of both economic and community development. The hugely beneficial aspect of the growth are, at times, tempered by the challenges associated with accommodating thousands of additional students each year. This recommendation is intended to provide a basis for a more proactive community response to the

challenges of student growth. Properly implemented, this recommendation could eliminate the piecemeal response of the community and replace it with an enthusiastic, beneficial long-term solution.

3. That a plan be developed as soon as possible to identify a 'gateway' route from Tallahassee Municipal Airport to downtown in a manner that provides a showcase for the resources – institutions, land, and amenities – that make Tallahassee attractive for quality employment;

If Tallahassee is to compete favorably with hundreds of other cities for economic development opportunities, we will need to be attentive to a wide range of issues that impact site relocation decision makers. Making certain that our airport continues to grow as a positive resource is one of those issues. While the Task Force did not address issues attendant to the airport itself, the Task Force did address the generally poor esthetics that presently exist in traveling from the airport to Innovation Park, the universities, and downtown. Without an improved route from the airport to our community resources we will face an even more difficult challenge in attracting new investors to the community.

4. That transportation issues related to economic development, particularly access to the airport via Capital Circle and Orange Ave., be given the highest possible priority in the immediate future;

Innovation Park and the University Campus cannot reach their full potential if they are not made more easily accessible. The Innovation Park Task Force noted with approval the recent decisions of the Board of County Commissioners and others to expedite the plans to improve the major arterial roads in the area of Innovation Park and the University Campus. The Task Force urges that its recommendations and deliberations be added to the plans being formulated in order, once again, to provide additional advantages to our efforts to expand quality employment in our community.

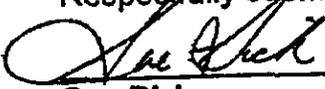
IV. SUMMARY

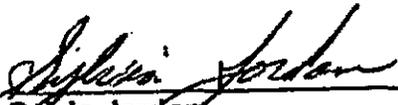
The Innovation Park Task Force recognizes that its efforts do not, of themselves, constitute a plan for economic development. That work is the responsibility of all of the constituent members of the Task Force and of the community as a whole. However, the work of the Task Force, taken in total, can be the basis for resolving some long-standing impediments to future economic development and, further, can provide the beginning of a comprehensive, long-term vision to guide the many separate initiatives taking place in Tallahassee and Leon County.

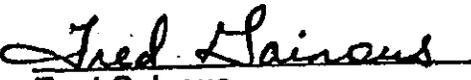
The Innovation Park Task Force urges the Board of County Commissioners to proceed with the necessary steps to refine and implement the recommendations presented herein. The members of the Innovation Park Task Force remain at your call for help and assistance.

Thank you.

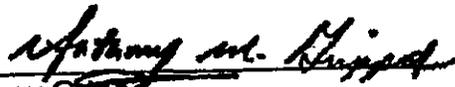
Respectfully submitted:


Sue Dick
President
Economic Development Council


Sylvia Jordan
Chair
Leon County Research and
Development Authority


Fred Gainous
President
Florida A&M University


John Marks
Mayor
City of Tallahassee


Tony Grippa
Chairman
Board of County Commissioners


T.K. Wetherell
President
Florida State University


Bill Law
President
Tallahassee Community College

Board of County Commissioners Agenda Item

Date of Meeting: January 13, 2004
Date Submitted: January 7, 2004

To: Honorable Chairman and Members of the Board

From: Parwez Alam, County Administrator *PA*
Vincent Long, Assistant County Administrator *VL*

Subject: Ratification of Board Actions Taken at the November 25, 2003 Workshop on the Innovation Park Task Force Final Report and Approval of a Resolution Expanding the Membership of the Leon County Research and Development Authority.

Statement of Issue:

This agenda item requests ratification of Board actions taken at the November 25, 2003 Workshop on the Innovation Park Task Force Final Report; and approval of a resolution that expands the membership of the Leon County Research and Development Authority Board to include the Mayor of Tallahassee and the President of Tallahassee Community College (Attachment #1).

Background:

On October 24, 1978, the Charter of the Leon County Research and Development Authority (LCRDA) was executed thereby creating a research and development park (Innovation Park) in Leon County. The general purpose of the LCRDA is to operate, manage and control Innovation Park in affiliation with Florida State University (FSU) and the Florida Agricultural and Mechanical University (FAMU). The LCRDA's powers and duties include acquiring and leasing property within Innovation Park and developing and implementing a land use plan for the Park. In addition, the LCRDA is charged with advising the Leon County Board of County Commissioners (Board) on all subjects relating to the development and operation of Innovation Park.

On April 29, 2003, the Board held a tour of Innovation Park with LCRDA members to review the Park's existing status and future development plans. During their regularly scheduled meeting on the same day, the Board created a Task Force on Innovation Park. The general mission of the Task Force was to prepare options and recommendations to the Board that would insure the future development and success of Innovation Park. The Board also requested that the Task Force make recommendations to the Board on whether or not to expand the membership of the LCRDA.

The Innovation Park Task Force was Chaired by Bill Law, President of Tallahassee Community College (TCC) and included the following members:

- Tony Grippa, Leon County Commission Chairman
- John Marks, Mayor of the City of Tallahassee
- Sylvia Jordan, Chair of the LCRDA
- TK Wetherell, President, FSU
- Fred Gainous, President, FAMU
- Sue Dick, President, Economic Development Council

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The Task Force held three meetings during the summer of 2003 and on November 25, 2003, the Task Force presented their final report to the Board during a workshop (Attachment #2).

Analysis:

During the November 25, 2003 Workshop, the Board was presented with the Innovation Park Task Force Final Report by TCC President and Task Force Chairman, Bill Law. The Board reviewed the report which included the following recommendations:

- Expand the LCRDA Board to include the Mayor of Tallahassee and President of TCC
- Initiate a more aggressive marketing campaign for Innovation Park.
- Increase the role of FSU, FAMU and TCC in Innovation Park to include:
 1. Creation of incentives for future participation in the Park,
 2. Establishment of a Business Incubator in the park,
 3. Expand the FAMU-FSU College of Engineering.
- Review land uses in the Park.
- Expand the size of Innovation Park through acquisition of adjacent parcels owned by the County, City, State and FSU.
- Enhance roads and access points to Innovation Park, FAMU and downtown Tallahassee.
- Develop the "Education Quadrant" concept to further advance community and economic development activities around the universities and community college.

Upon conclusion of their discussion, the Board approved the following motion: "*Accept the findings presented in this Workshop and direct staff to bring back agenda items that address the Task Force recommendations for Board action.*"

Expansion of LCRDA Membership:

The Board has established by ordinance that there shall be no less than five members of the LCRDA, in addition to a representative of the President of FAMU and a representative of the President of FSU. This Board directive, as codified in Section 2-57 of the Leon County Code of Ordinances, also provides parameters for where LCRDA Board members *may* come from (Attachment #3). Currently, the LCRDA consists of the following membership:

1. Sylvia Jordan, Chair, retired business executive
2. Ray Eaton, Vice Chair, E Group Systems
3. Commissioner Jane Sauls, Chairman, Leon County Board of County Commissioners
4. Dr. Raymond E. Bye, Jr., FSU Vice President for Research
5. Dr. Dhyana Ziegler, FAMU Acting Vice President of Sponsored Research
6. Stan Barnes, Vice-President, BB & T-Landrum-Yeager & Associates
7. Tom Barron, President, Capitol City Bank

Significantly, the Ordinance governing LCRDA membership does *not* place a limit on the maximum number of LCRDA members. Should the Board decide to expand the LCRDA membership level, this action can be set forth upon adoption of a resolution expanding the LCRDA membership.

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In accordance with the Board's request, staff has prepared a resolution that would expand the LCRDA membership from its current level of seven (7) members to nine (9), to include the Mayor of Tallahassee and the TCC President. It is important to note that such Board action relating to the LCRDA is not extraordinary. The Board routinely appoints the members of the LCRDA and is continuously involved with decisions that impact Innovation Park's development (Attachment #1).

Future Board Action on Task Force Recommendations:

The approval of the Resolution expanding the LCRDA's membership is the most immediate action that the Board may approve to implement the recommendations of the Innovation Park Task Force. A majority of the Task Force's recommendations will be initiated and led by the newly expanded LCRDA Board. These recommendations include the review of Innovation Park land uses, expanding the role of universities within the Park, the implementation of an aggressive marketing campaign and any request for acquisition of adjacent parcels.

Staff will continue to work closely with the LCRDA on the full implementation of the Task Force's recommendations, including the further development of the "Educational Quadrant" concept. Staff will prepare regular reports to the Board, including agenda items as necessary, to update the Board on the progress of this implementation and to seek further Board action.

Options:

1. Ratify the Board actions taken at the November 23, 2003 Workshop on the Innovation Park Task Force Final Report.
2. Approve the Resolution that expands the membership of the LCRDA from the existing seven (7) to nine (9) members, to include the Mayor of Tallahassee and the President of Tallahassee Community College.
3. Do not ratify actions taken by the Board at the November 23, 2003, Workshop.
4. Board direction.

Recommendation:

Options #1 and #2

Attachment:

1. Resolution 04-XX; Expanding the membership of the LCRDA from seven (7) to nine (9) members to include the President of TCC and the Mayor of Tallahassee.
2. Workshop Item on the Innovation Park Task Force Presentation
3. Section 2-57, Leon County Code of Ordinances; Relating to LCRDA membership.

PA/VL/BHP/bhp

RESOLUTION: R04-02

RESOLUTION OF BOARD OF COUNTY COMMISSIONERS OF LEON COUNTY, FLORIDA, SETTING FORTH THE MEMBERSHIP OF THE LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY; PROVIDING FOR BYLAWS; PROVIDING AN EFFECTIVE DATE

WHEREAS, Florida Statutes Section 159.71, et seq., sets forth the requirements for the creation, by Ordinance, of a Research and Development Authority by counties of the state; and

WHEREAS, in October of 1978 the Charter of the Leon County Research and Development Authority was executed, creating said authority; and,

WHEREAS, in 1980, the Leon County Board of County Commissioners adopted Ordinance No. 80-68 confirming and creating the existence of the Leon County Research and Development Authority (said Ordinance being codified in Chapter 2 of the Leon County Code of Laws at Section 2-57); and,

WHEREAS, the Section 2-57 of Leon County Code of Laws requires that there shall be no less than five members of the Leon County Research and Development Authority, which is herein proposed to be inclusive of an individual recommended by the Presidents of Florida A & M University, an individual recommended by the President of Florida State University, the Mayor of the City of Tallahassee, the President of Tallahassee Community College, and five other individuals from Leon County as appointed by the Leon County Board of County Commissioners; and,

WHEREAS, the Leon County Board of County Commissioners wishes to memorialize an expansion of the membership of the Leon County Research and

Development Authority by the adoption of this resolution setting forth the number of members and the composition of the Leon County Research and Development Authority.

NOW, THEREFORE, BE IT RESOLVED, by the Leon County Board of County Commissioners as follows:

Section 1. That the Leon County Board of County Commissioners hereby ratifies and confirms the existence of the Leon County Research and Development Authority as set forth in Chapter 2 of the Code of Laws of Leon County and as provided for in Chapter 159, Florida Statutes.

Section 2. That the composition of the Leon County Research and Development Authority shall be nine (9) members, to be composed of the following:

- A.) The President of Florida A & M University or its designee; and,
- B.) The President of Florida State University or its designee; and,
- C.) The Mayor of the City of Tallahassee; and,
- D.) The President of Tallahassee Community College; and,
- E.) The Chairman of the Leon County Board of County Commissioners or its designee; and,
- F.) Four other individuals from Leon County as selected by the Leon County Board of County Commissioners.

Section 3. That those appointments to the Leon County Research and Development Authority pursuant to Section 2 F, above, shall be by a majority vote of the Board of County Commissioners.

Section 4. That the Leon County Research and Development Authority is hereby directed to amend their bylaws to include the new composition and number of members of the Authority as set forth herein.

Section 5. That these changes shall take effect on February 1, 2004, and apply thereafter.

Proposed, presented, and passed this 27th day of January, 2004.

LEON COUNTY, FLORIDA

BY: Jane G. Sauls
Jane Sauls, Chairman
Board of County Commissioners



ATTEST:

Bob Inzer, Clerk of the Circuit Court

BY: Bob Inzer

APPROVED AS TO FORM:

OFFICE OF THE COUNTY ATTORNEY
LEON COUNTY, FLORIDA

BY: Herbert W. A. Thiele
Herbert W. A. Thiele, Esq.
County Attorney