Innovation Park of Tallahassee

Incubator / Accelerator Project

Regional Assets

Innovation Park of Tallahassee is a research park with numerous extraordinary resources:

- Applied Superconductivity Center
- Center for Advanced Areo-Propulsion
- Center for Advanced Power Systems
- Center for Biomedical & Toxicological Research
- Center for Information Management & Educational Services
- Center for Interactive Media
- Center for Ocean & Atmospheric Prediction
- Center for Plasma Science & Technology
- Florida DOT Structures Research Center
- High-Performance Materials Institute
- Institute for Energy Systems
- Additional Centers & Institutes
- Several high-tech commercial ventures

Regional Assets Cont….

Located within the Park is the **NSF-funded National High Magnetic Field Laboratory** (MagLab), the largest and highest-powered magnet lab in the world and the epicenter of most magnet research for the United States. Immediately adjacent to the Park is the joint-university **FAMU-FSU College of Engineering**.

What is missing from the Park however, is a **business incubation/acceleration** program and facility. By building this resource, the Park will be able to offer a comprehensive assistance program with specialized equipment in a new facility that fosters entrepreneurial ventures.

Innovation Park Incubator

What makes this facility unique is that it will be specific to **scientific discovery, engineering, and technology** development. The incubator will support moving university and entrepreneurial **intellectual property into the marketplace**. The program will be designed to assist individuals with business acumen, attract serial entrepreneurs that license technology, and entice Venture Capital to the area by offering innovations to enhance their portfolio company's technology.

A **40,000 square foot high-tech incubator** is proposed. Initial funding for this project will be through an EDA grant application in the amount of **$8.5M**. The remaining sum will be sought from Innovation Park, FSU, FAMU, TCC, City of Tallahassee, Leon County, and the State of Florida. Private foundations and the private sector will also be pursued.

Why an Incubator – Higher Education

- Presence of an incubator attracts and retains top academics*
- An incubator affiliation enhances the prestige of the university**
- Offers business development services (grant searching, mentoring, networking)
- Promotes laboratory and university technology transfer
- Cultivates attention from private industries
- Provides real-world internship opportunities for students
- Leverages intellectual capital (patents, faculty and students, and facilities)
- Supports undergraduate and graduate retention
- Develops connections with local entrepreneurs and companies

* 2008 Small Business Association

** 2016 Strategic Management Society

Examples

- It is well known that academic spin-offs especially face a number of obstacles when pursuing their economic objectives*
- A prevalent means often used by universities to overcome these obstacles is to establish or draw on the facilities of an incubator**
- Academic spin-offs may have distinct resources in technological knowledge and skills yet frequently lack other resources; entrepreneurial knowledge and management skills would appear to be the most problematic***
- With the objective of easing obstacles that hamper the growth of university spin-offs, university-affiliated incubators provide a wide range of entrepreneurial support such as training and mentoring to improve skills and provide access to a range of specialized professional services****

* Gredel et al., 2012

** Löfsten and Lindelöf, 2005

*** van Geenhuizen and Soetanto, 2009

**** Bergek and Norrman, 2008

Why an Incubator - EDAs

- 87% success rate from companies involved in a formal program*
- 84% of those stay in the area in which they were incubated*
- Generates economic multiplier effects**
- Benefits the community as a whole**
- Attracts funding sources to the region (increased deal flow)
- Sector development (science & engineering)
- Becomes a one-stop-shop for innovation-to-market strategies
- Educates entrepreneurs on early stage funding (SBIRs/STTRs)

* International Business Innovation Association

** 2016 Strategic Management Society

SBIR·STTR Focus

America's Seed Fund™

There may be specific space set aside for **SBIR/STTR award** winners in the form of a grant-assisting and support lab; with a focus on training applicants to best compete for SBIR/STTR awards. This effort would result in **more research dollars** coming into the region, while increasing **licensing opportunities**, and creating exceptional **startup ventures** for technologists.

SBIR/STTR Continuum:

- Idea – Phase I (up to $225,000)
- Discovery – Interns (experiential learning)
- Validation – Phase II (up to $1.5M)
- Customers – Angel investments (community interest)
- Company – Venture Capital (technology destination)

Why 40,000 sf.

- Feasibility study identified 40,000 sf. for self-sustainability
- 40,000 sf. yields approx. 30,000 sf. of leasable space
- 15,000 sf. of office space @ $17/sf. = $255,000/yr. revenue at 100%
- ~$230,000/yr. @ 90% occupancy (50% is expected in the first year)
- 15,000 sf. of lab space @ $22/sf. = $330,000/yr. revenue at 100%
- $297,000/yr. @ 90% occupancy (75% is expected in the first year)
- Revenue totals at 90% occupancy after two years = ~$527,000/yr.
- Expenses are estimated at ~$300,000/yr., although the average incubator expenses are $416,000/yr. (staffing difference)
- Capital Expenditures = ~$102,000/yr.*
- (Deficit) / Surplus= ($27,000)-$125,000/yr.

* Building & equipment maintenance is calculated at $102,000/yr. (17.4% of OPEX)

Study from 2005 – UCF (Tom O'Neal)

Table 4: Technology Incubators Compared to All Business Incubators

Variable	Industry Average	Technology Average	Average from Survey Results
Gross square footage	24,375	38,988	39,083
Number of tenants	12.0	13.9	13.7
Number of graduates per year	3.3	1.7	2.4
Percent of firms remaining in the metro area	82.2	86.0	71.7

High Tech Look

One Layout


OFFICE
CONFERENCE
RECEPT.
OFFICE
Wet Lab
6' CORRIDOR
TRAINING ROOM
WORK ROOM
M.
W.
6' CORRIDOR
Wet Lab
6' CORRIDOR
OPEN OFFICE
Wet Lab

Management

- Director of Entrepreneurship & Administrative Assistant
- Operating expenses will be covered by membership fees
- The last three incubators experienced full capacity *within one year*
- Plymouth State University incubator was 100% occupied at *opening*
- Relationship with UF (Mark Long) & UCF (Tom O'Neal)
- Critical success factor = **NO DEBT SERVICE***

* Sources: iNBIA, SUNY-Albany (2003 Lewis), Kauffman Foundation

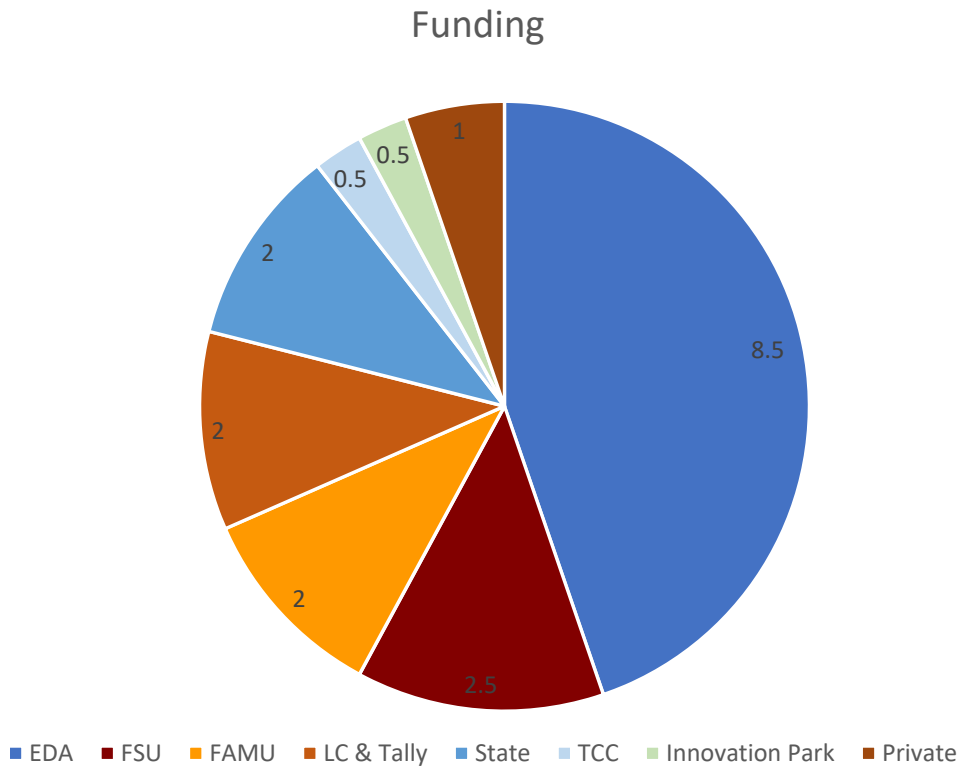
Timeline

- Funding
  - EDA – Nov. 2018 with support and commitment letters
  - State and local funding – Jan. 2019
- Permitting, RFQs, etc. – Spring 2019
- Ground breaking – Fall 2019
- Grand opening – Summer 2020
- 50% occupancy – End of 2020
- 75% occupancy – Mid-2021
- 100% occupancy – End of 2021

Estimated Funds Needed

- 40,000 sf @ $425/sf = $17,000,000
- 40,000 sf @ $475/sf = $19,000,000
- EDA proposal = $8,500,000 (in process)
- Innovation Park = $500,000
  - $400,000 (In-kind; salaries, benefits, initial operating costs)
  - $100,000 (Land value)
- Need to raise ~$8,500,000-$10,500,000
- Danfoss = ~$200k in CNC machines, furniture, computers
- General Capacitor = $? In various donations??

Guestimate Breakdown



Time for Discussion