

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

*Knight Administrative Centre
1736 W Paul Dirac Drive, Tallahassee, FL 32310*

Thursday, December 6, 2018

8:00am to 4:00pm

Agenda

1. Call to Order
2. Introductions
3. Modifications to the Agenda
4. Meeting Overview

Business Meeting

5. Public Comment
6. Approval of Draft Meeting Minutes, October 4, 2018 (*Attachment A*)
7. Consent Agenda
 - a. Audit Committee Report, October 29, 2018 (*Attachment B*)
 - b. Investment Advisory Committee Report, November 8, 2018 (*Attachment C*)
 - c. Treasurer's Report (*Attachment D*)
 - d. Monthly Financial Reports
 - i. September 2018 (Link: <http://innovation-park.com/wp-content/uploads/2018/11/0918-Monthly-Report-Innovation-Park.pdf>)
 - ii. October 2018 (Link: <http://innovation-park.com/wp-content/uploads/2018/11/10.18-Monthly-Report-Innovation-Park.pdf>)
 - e. Investment Reports
 - i. September 2018 (*Attachment E1*)
 - ii. October 2018 (*Attachment E2*)
8. Staff Reports: Information Only-No presentations will be made (*Attachments F1-F4*)
9. EDA Grant Status
10. FSU Anthropology Lease Amendment (*Attachment G*)

Staff requests approval of the Second Amendment to the FSU Anthropology Lease Agreement in the Johnson Building. The lease extends the term one year until July 31, 2020 and increases the lease payments 3% effective August 1, 2019 in accordance with the terms of the lease.

11. Other Business

Strategic Planning Session

12. Speaker / discussion: Mayor John Dailey –Vision of the City
13. Speaker / discussion: David Pollard, Interim Airport Director – Airport real estate and development plans, and collaboration opportunities
14. Speaker / discussion: Ed Murray, NAI Talcor – Local commercial real estate market and how Innovation Park fits, preparing to attract businesses, mixed-use development opportunities

Break – 10 minutes

15. Speaker/ discussion: Rebekah Sweat, Business Development Manager, Tallahassee/Leon County Office of Economic Vitality – Business attraction and collaboration opportunities
16. Where we are:
 - a. Review of year-end 2018 financials, budget, future issues: April Salter and Ron Miller
 - b. Review of current strategic plan and progress: Ron Miller
17. Typology of university research park strategies: Ron Miller
18. Research park market analysis: Denise Bilbow

Working Lunch

19. WHERE do we want to be in three years? Identify 3-4 major SMART goals (e.g. # businesses located in park, 20 businesses located in an incubator, # pad-ready sites)
20. WHAT are the major issues/gaps/roadblocks/deficiencies we need to overcome to accomplish each goal?

Break – 10 minutes

21. HOW do we overcome each major issue (big strategies/small action items)?
22. HOW MUCH is the budget for each strategy/action item?
23. WHEN should each strategy/action item be completed?
24. Closing discussion/summary
25. Adjourn

Leon County Research and Development Authority
Board of Governors Meeting
Thursday, October 4, 2018
11:00am to 1:30pm
Knight Administrative Centre
1736 W Paul Dirac Drive, Tallahassee, FL 32310

DRAFT Minutes

Members in Attendance: Dave Ramsay, Kim Williams, Anne Longman, Ray Bye, Dustin Daniels, Kristin Dozier, Kimberly Moore, Eric Holmes

Members Not in Attendance: Paul Dean, April Salter, Shawnta Friday-Stroud

Guests: Stephanie Shoulet, Melissa VanSickle, LCRDA Staff: Ron Miller, Michael Tentnowski, Denise Bilbow, Peggy Bielby

1. Call to Order

Chair Dave Ramsay called the meeting to order at 11:02am.

2. Welcome Ray Bye

Chair Dave Ramsay introduced and welcomed new Board of Governors member Ray Bye.

Kimberly Moore joined the meeting at 11:07am.

3. Introduction of Guests

All present introduced themselves.

4. Modifications to the Agenda

Ron Miller noted that regarding Agenda Item 8, EDA Grant Application Update: the Board of Governors needs to ratify the Executive Committee decision to re-allocate \$1.8 million from the Collins Building renovation to the construction of the new incubator/accelerator for which EDA matching grant funding was being sought.

Kim Williams offered a motion to ratify the Executive Committee decision to re-allocate \$1.8 million to the construction of the new incubator/accelerator. Kristin Dozier seconded the motion which passed unanimously.

5. Public Comment

None.

6. Approval of Draft Meeting Minutes, August 2, 2018

Kim Williams offered a motion to approve the August 2, 2018 Board of Governors meeting minutes. Eric Holmes seconded the motion which passed unanimously.

7. Consent Agenda

- a. Executive Committee Report, September 19, 2018
- b. Treasurer's Report, October 4, 2018

Dave Ramsay noted that he would like to have the year-end Treasurer's Report discussed under general business at the next Board of Governors meeting.

- c. Monthly Financial Reports
 - i. July 2018

- ii. August 2018
- d. Investment Reports
 - i. July 2018
 - ii. August 2018
- e. RFQ 18-04 Evaluation Committee Report
- f. Property & Casualty Insurance Renewal

Executive Committee requests ratification of its approval of Brown and Brown’s proposal to renew and bind property & casualty insurance with incumbent carriers at a total annual premium of \$52,857.43, an increase of \$1,289.18 (2.5%) over the prior year and reflects an increase in property values and increased business income coverage due to rising lease income. The renewal policies are under the same terms and conditions but with some coverage enhancements. Consistent with the broker agreement the broker did seek proposals from competing carriers this year—that information is attached to the proposal.
- g. Proposed Budget FY 2018-2019

Executive Committee requests ratification of its approval of the draft budget for fiscal year 2018-19. The narrative explains any significant changes to the budget from prior years.
- h. Executive Director Annual Review

Executive Committee requests ratification of its approval of a \$5,000 increase in the Executive Director’s annual salary effective October 1, 2018. The Employment Agreement with the Executive Director, as amended in 2015, requires in part: Paragraph 3(d), “On or before September 30th of each subsequent year, throughout the term of this agreement, the Authority will conduct an evaluation of the Employee’s performance”; and, Paragraph 4(a)(iii), “On or before September 30th of each subsequent year, The Board of Governors shall provide adjustments to the Base Salary, based upon the Employee's performance evaluation and completion of goals and objectives, as set forth annually in advance and in writing by the Board of Governors, and agreed to by the Parties ("Merit Pay Adjustments"). Goals and objectives shall be specific, measurable, achievable, realistic, and timely in accordance with good goal setting practices.” A summary of board member evaluation responses, the Executive Director’s Salary History, and the most recent AURP Salary Survey were reviewed.

Kim Williams offered a motion to approve the consent agenda as modified. Kimberly Moore seconded the motion which passed unanimously

Dustin Daniels joined the meeting at 11:15am, after the vote on the Consent Agenda.

8. EDA Grant Application Update—Michael Tentnowski

Michael Tentnowski provided an update on the 462-page EDA grant application submitted on September 28, 2018. It seeks funding from a one-time \$147M allocation to EDA’s Southeast Regional Office, competitive distribution to regions affected by Hurricane Irma. Our application was revised from a \$8.5M ask at a 50/50 split (one-to-one match) to a \$10.2M ask at a 60/40 split due to regional eligibility. Funding commitments: FSU - \$2.5M; Leon County & City of Tallahassee - \$2.5M; LCRDA - \$1.8M. Working with FAMU on future funding scenarios. Grant timeline:

- Submitted September 28, 2018
- Notification of first round of acceptance immediately thereafter
- Notification of second acceptance expected by November 30, 2018
- During 60-day review period, additional clarification/documentation may be needed
- Award announcement expected January 2019

Dave Ramsay noted that he would like to write notes of thanks on behalf of the Board of Governors to each individual who provided assistance.

Kim Williams left the meeting at 11:45am.

9. Strategic Plan Review/Status Update—Ron Miller

Ron Miller reviewed the Strategic Plan points and actions undertaken to address them. He also reported on the deferred Collins Building renovation planning, 501(c)(3) planning, business attraction, cooperating with the airport on marketing opportunities, EEP and other programs. The central pond trail construction should be completed by spring.

10. Chair's Report—David Ramsay

Chair Ramsay reported that he, Ron Miller, and Michael Tentnowski visited each of the City and County Commissioners, except for Commissioner Dozier, to brief them on the planned incubator/accelerator proposal and funding request. The City and County are being requested to commit \$2,500,000 of Blueprint funds. He informed the Board that subsequently the Intergovernmental Agency, at its September 20, 2018 meeting gave unanimous support for the proposal and the requested financial commitment.

11. Staff Reports:

- a. Director of Entrepreneurship-Michael Tentnowski
SBIR/STTR programs attendance is strong and growing
- b. Director of Programs and Communications-Denise Bilbow
Nov. 7 Tech Topics at the College of Engineering: "From Research to Commercialization: Startups that formed out of University Research"
- c. Property Manager-Stephanie Shoulet
Morgan Building restroom renovation is almost complete.
- d. Executive Director-Ron Miller
 - i. Report- Sunnyland has cleared Lot 1F, new commissioner briefings after election Nov. 6.
 - ii. Board Attendance Report

12. New Business

None.

13. Adjourn

The meeting adjourned at 1:02pm.

Next Meeting:

Strategic Planning Session

December 4, 2018

8:00am – 4:00pm

FSU Research Foundation Building A

Seminar Room 120

2000 Levy Avenue, Tallahassee, FL 32310

(Subsequent meetings held the first Thursday of even numbered months.)

Leon County Research and Development Authority

Audit Committee Meeting

Knight Administrative Centre

1736 West Paul Dirac Drive

Tallahassee, Florida

October 29, 2018

4:30pm

REPORT

Members in Attendance: Dustin Daniels (Chair), Paul Dean, Kimberly Moore.

Members Not in Attendance: Shawnta Friday-Stroud, Eric Holmes, April Salter.

Guests: Kristy Bennett, Anna Carr (NAI Talcor); Allison Harrell (Thomas Howell Ferguson, CPA), Ron Miller, Peggy Bielby (LCRDA staff).

1. Call to Order

Chair Dustin Daniels called the meeting to order at 4.37pm.

2. Agenda Modifications

None.

3. Public Comment

None.

4. Approval of the Audit Committee Meeting Minutes:

Kimberly Moore offered a motion to approve the February 27, 2018 meeting minutes. Paul Dean seconded the motion, which passed unanimously.

5. Review of Audit Committee Charter

As required by the Audit Committee Charter, the Committee reviewed the Audit Committee Charter.

6. Audit Planning Discussion

The committee discussed prior audits, the audit schedule, any changes in operations and procedures, special audit risks, potential issues identified by accounting staff and management, and all other pre-audit concerns by the Audit Committee or the auditor. Allison Harrell noted the timing for completion of the audit continues to be dependent on receipt of FRS GASB 68 information from the State. No significant changes in operations and procedures, special audit risks, pre-audit concerns or other potential issues were identified by accounting staff, management, the Audit Committee, or auditors. Chair Daniels raised concerns about ensuring requirements related to the potential future receipt of a Federal EDA grant are met. Allison Harrell indicated she would provide management with a document which provides guidance on the subject.

7. Preliminary Audit Schedule

- a. Begin field work: November 12, 2018

- b. Receipt of GASB 68 information, Mid-January 2019
- c. Preliminary draft report to Executive Director: Early February 2019
- d. Final Draft Report for Audit Committee Packet: Week of February 25, 2019
- e. Audit Committee Meeting: Week of March 4, 2019
- f. Executive Committee Meeting: Week of March 11, 2018
- g. Board of Governors Review and Approval: April 4, 2019

7. New Business

None.

8. Adjourn

The meeting adjourned at 4:51pm.

Next Audit Committee Meeting:

TBD

**Leon County Research and Development Authority
Investment Advisory Committee Meeting**

Knight Administrative Centre
1736 West Paul Dirac Drive
Tallahassee, FL 32310

November 8, 2018
1:00pm

REPORT

Members Present: Kim Williams, Chair; Kim Dixon, James Francis, David Reid, William Giudice, Jordan Steffens (nonvoting)

Members Absent: None

Guests: Ron Miller, LCRDA Executive Director; Peggy Bielby, LCRDA Administrative Coordinator

1. Call to Order
The meeting was called to order at 1:00pm.
2. Introduction of Members and Guests
All present introduced themselves.
3. Public Comment
None.
4. Approval of the Meeting Minutes: November 20, 2017
David Reid offered a motion to approve the November 20, 2017 meeting minutes. James Francis seconded the motion which passed unanimously. William Giudice was not yet present and did not participate in the vote.
5. Annual Review of Investment Advisory Committee Charter
The IAC Charter requires the committee review and assess the adequacy of the Investment Advisory Committee Charter annually requesting Board approval for proposed changes. Ron Miller provided an overview of the IAC Charter as revised June 2, 2016. The Committee agreed that no changes were needed at this time.
6. Annual Review of Investment Policy
The IAC Charter requires the committee review the Authority's investment policy, objectives and guidelines, including risk tolerance, at least annually, presenting to the Board recommendations for any additions, deletions, or modifications. The Committee agreed that no changes were needed at this time.

William Giudice joined the meeting at 1:05pm

7. Investment Performance FY 2017-18
David Reid noted that the current SPIA cap is \$3 million, and that although the current FL Prime rate is higher, the committee may want to revisit increasing the SPIA balance if long term rates increase. For FY 17/18 the total investment portfolio yield was 1.773%. \$185k was liquidated from SPIA for the central pond trail construction, and in June 2018 \$1.1 million, the maximum

liquidation allowed by SPIA, was moved from SPIA to FL Prime to take advantage of higher returns and expected higher continued rising interest rates.

8. Financial Statements FY 2017-18

Net operating income for FY 17/18 was forecasted to be \$135k (budgeted was breakeven) due to increased leasing.

9. Budget Review FY 2018-19

Jordan Steffens noted that \$1.4 million is a designated unrestricted net position for each of the years ended September 30, 2017 and 2016 for future capital projects and is reported on the monthly statement as “Investments Limited as to Use (Capital Improvement Fund).” Ron Miller explained that the designation of funding was made by the Board prior to his employment with LCRDA, but that his understanding was that the Board’s intent was to ensure funds would be available for future capital improvements.

In a follow up email to members, Ron Miller further explained that while these funds are “designated,” in the case of a proprietary fund such as LCRDA, no formal reserve or capital projects fund is required. This is not a restriction on net position as defined in GASB. The designated funds are still included in Unrestricted Net Position, and simply indicate the Board’s desire that the funds should be used for capital projects and not be used for general operations. LCRDA could change this designation at any time. Funds required for capital projects may be used from the designated funds or remaining undesignated funds. The Board of Governors may wish to keep all or some of the \$1.4 million “Designated” for additional future capital projects and spend the \$1.8 million for the incubator/accelerator from undesignated funds.

10. Executive Director Update

Ron Miller provided a status update regarding progress executing the LCRDA strategic plan. He explained that the \$1.8 million allocated to the Collins Building renovation was, at the direction of the Board of Governors, reallocated to the construction of a new incubator/accelerator in order to support an EDA grant application. FSU has committed \$2.5 million to the project, OEV has committed \$2.5 million, and with the LCRDA commitment of \$1.8 million, the EDA 60/40 match sought is \$10.2 million, for a total of \$17 million. The award will be announced by the end of November.

Options will be considered for the Knight Building to be converted to a breakfast/lunch operation with a private partner, and the current tenants, including LCRDA staff, moved to the Collins Building. The central pond trail will be completed in early 2019. OEV will focus on business attraction implementing recommendations from the magnetics taskforce.

11. New Business

None.

12. Adjourn

The meeting was adjourned at 2:04pm.

**Next Meeting:
TBD**

Leon County Research and Development Authority
Treasurer's Report
December 6, 2018

The following is a summary of the more significant items relating to financial position, financial operations, and the budget:

Note: Year-end balances are prior to any GASB 68 or audit adjustments (if any)

For the months ending
and the year-to-date through

9/30/2018

9/30/2018 10/31/2018
12 months thru

1) Balance Sheet

	Increase/ (Decrease)	
	9/30/2018	10/31/2018
<u>Changes for the month:</u>		
Operating cash	\$ (15,793)	\$ (2,304)
Receivables ¹	\$ (39,103)	\$ 17,709
Property ²	\$ 55,398	\$ 10,000
Accumulated depreciation and amortization	\$ (29,568)	\$ (24,101)
Investments	\$ 7,798	\$ 7,533
Total assets	\$ (25,091)	\$ 15,455
Total liabilities	\$ (11,956)	\$ 25,513
Total capital	\$ (13,135)	\$ (10,058)

¹ 9/18 Trail prepayment Construction In Progress reclass \$45k

² 9/18 Trail CIP \$45k, Johnson HVAC \$10k; 10/18 Morgan Restroom

2) Income Statement

	YTD	Month	
	9/30/2018	9/30/2018	10/31/2018
Interest income	\$ 70,055	\$ 7,886	\$ 7,092
Net operating income (loss) ¹ <i>(before depreciation & amort.)</i>	\$ 134,254	\$ 16,433	\$ 14,042
Less: Depreciation & amort.	(289,085)	(29,568)	(24,101)
Net income (loss)	\$ (154,831)	\$ (13,135)	\$ (10,059)

¹ 5/18 Tech Grant Payments \$25k

3) Cash Flow Statement

Operating Cash		
	9/30/2018	10/31/2018
Beginning balance	\$ 222,200	\$ 206,407
Net change	(15,793)	(2,304)
Ending balance	<u>\$ 206,407</u>	<u>\$ 204,103</u>

Operating cash is adequate to meet current cash disbursement needs.

Leon County Research and Development Authority
Treasurer's Report
December 6, 2018

4) Budget Comparison Statement

a) Revenues:

Revenue Variances Year-to-Date thru: 9/30/2018	
Actual	\$ 1,018,099
Budgeted	909,893
Variance Favorable (Unfavorable)	<u>\$ 108,206</u>

Variance breakdown:	
Rent ¹	\$ 93,938
Interest income	22,719
EEP program revenue ²	(22,890)
Other program revenue ³	14,500
All other	(61)
Variance Favorable (Unfavorable)	<u>\$ 108,206</u>

¹ FSU IT Services rent in Morgan Building

² Contract executed with FAMU; expected to earn \$15k grant funds; 11k awarded for SBIR/STTR Training program rather than EEP program and reflected in Other program revenue

³ Tech Grant sponsorships \$3,500; SBIR/STTR grant \$11k

b) Operating Expenses (before Depreciation and Amortization):

Operating Expenses Year-to-Date thru: 9/30/2018	
Budgeted	\$ 908,214
Actual	883,845
Variance Favorable (Unfavorable)	<u>\$ 24,369</u>

Operating Expense Variances	Favorable/ (Unfavorable)
Year-to-Date thru: 9/30/2018	
Payroll ¹	\$ 4,920
Utilities	(764)
Repairs/Maintenance	(1,432)
Cleaning & Improvements	1,033
Services	2,438
Property Administration ²	18,174
Total Favorable Variance	<u>\$ 24,369</u>

¹ Director of entrepreneurship started one month later than expected \$11k favorable; Leave accrual \$5k unfavorable.

² Legal fees \$10k favorable; Marketing \$1.5k favorable; Other Program Expense \$3.6k favorable; Travel \$2.5k favorable

Respectfully submitted,
April Salter, Treasurer

LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY

INVESTMENT PORTFOLIO

For period ending September 30, 2018

For the Month:

<u>SECURITY OWNED</u>	<u>BALANCE BOM</u>	<u>EARNINGS</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE EOM</u>	<u>YIELD</u>
FL PRIME	\$ 2,012,714.68	\$ 4,914.45	\$ -	\$ -	\$ 2,017,629.13	2.971%
SPIA	1,784,547.14	2,818.44	-	-	1,787,365.58	1.923%
	<u>\$ 3,797,261.82</u>	<u>\$ 7,732.89</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,804,994.71</u>	<u>2.444%</u>

For the Fiscal Year Beginning October 1:

<u>SECURITY OWNED</u>	<u>BALANCE BOP</u>	<u>EARNINGS</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE EOP</u>	<u>YIELD</u>
FL PRIME	\$ 892,980.13	\$ 24,649.00	\$ 1,100,000.00	\$ -	\$ 2,017,629.13	1.902%
SPIA	3,027,497.86	44,867.72	-	1,285,000.00	1,787,365.58	1.718%
	<u>\$ 3,920,477.99</u>	<u>\$ 69,516.72</u>	<u>\$ 1,100,000.00</u>	<u>\$ 1,285,000.00</u>	<u>\$ 3,804,994.71</u>	<u>1.773%</u>

SPIA Available Balance (see security description for minimum balance requirements)	\$ 718,384.17
Investments Limited as to Use (Capital Improvement Fund)	\$ 1,400,000.00
Unrestricted Investments	\$ 2,404,994.71

NOTABLE ADDITIONS OR DELETIONS TO ACCOUNTS:

04/18 Liquidated \$185,000 from SPIA to pay for Trail

06/18 Transferred \$1.1 million from SPIA to FL PRIME to take advantage of higher returns and expected continued rising interest rates; this was the maximum allowed liquidation from SPIA

Note: Security descriptions shown on reverse

SECURITY DESCRIPTIONS:

- FL PRIME - SBA Florida Prime - The Local Government Surplus Funds Trust Fund (Florida PRIME) was created by an Act of the Florida Legislature in 1977 and currently serves over 800 participants across the state. Invests exclusively in short-term, high-quality fixed-income securities rated in the highest short-term rating category by one or more nationally recognized statistical rating organizations, or securities of comparable quality. Seeks to maintain a \$1.00 value and maintain a weighted average maturity of 60 days or less, with the maximum maturity of any investment limited to 397 days. Rated AAAM by Standard & Poor's, the highest rating available for a local government investment pool. Complies with legislation that requires numerous operational and reporting enhancements, including restating investment objectives to emphasize safety, liquidity and competitive returns with minimization of risks; and providing for enhanced internal controls, transparency and communication. Federated Investors has managed the assets of Florida PRIME to the exact specifications of its investment policies since February 13, 2008.
- SPIA – Florida Treasury Special Purpose Investment Trust – The Florida State Treasury operates a special investment program for public entities other than the State. This program is authorized in Section 17.61(1), Florida Statutes and is called the Treasury Special Purpose Investment Account (SPIA). Component units of the State, Universities, or Colleges that are created by the Florida Constitution or Florida Statutes are eligible to invest in SPIA. Current non-component unit participants, like the Authority, are allowed to stay in the program with capped investment limits and a minimum balance equal to 60% of the previous 3 months average balance. Liquidations in excess of the minimum balance require 6 months' notice. SPIA funds are invested in the same portfolio as Treasury funds, so the pool of funds has a stable base of funds (over 85% of the funds are captive trust funds) not needed for immediate disbursement. These funds are invested in a combination of short-term liquid instruments and intermediate-term fixed income securities. This “barbell” investment strategy, along with incremental income produced by securities lending, has the ability to return higher yields than a typical money market fund. Participants have the ability to invest and obtain fund withdrawals same day with an 11:00 a.m. deadline for notifying the Treasury. The SPIA maintains a credit rating of A+f by Standard & Poor's.

LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY

INVESTMENT PORTFOLIO

For period ending October 31, 2018

For the Month:

<u>SECURITY OWNED</u>	<u>BALANCE BOM</u>	<u>EARNINGS</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE EOM</u>	<u>YIELD</u>
FL PRIME	\$ 2,017,629.13	\$ 4,714.87	\$ 718,000.00	\$ -	\$ 2,740,344.00	2.370%
SPIA	1,787,365.58	2,188.38	-	718,000.00	1,071,553.96	1.787%
	<u>\$ 3,804,994.71</u>	<u>\$ 6,903.25</u>	<u>\$ 718,000.00</u>	<u>\$ 718,000.00</u>	<u>\$ 3,811,897.96</u>	<u>2.177%</u>

For the Fiscal Year Beginning October 1:

<u>SECURITY OWNED</u>	<u>BALANCE BOP</u>	<u>EARNINGS</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE EOP</u>	<u>YIELD</u>
FL PRIME	\$ 2,017,629.13	\$ 4,714.87	\$ 718,000.00	\$ -	\$ 2,740,344.00	2.370%
SPIA	1,787,365.58	2,188.38	-	718,000.00	1,071,553.96	1.787%
	<u>\$ 3,804,994.71</u>	<u>\$ 6,903.25</u>	<u>\$ 718,000.00</u>	<u>\$ 718,000.00</u>	<u>\$ 3,811,897.96</u>	<u>2.177%</u>

SPIA Available Balance (see security description for minimum balance requirements)	\$ -
Investments Designated for Capital Projects	\$ 1,400,000.00
Undesignated Investments	\$ 2,411,897.96

NOTABLE ADDITIONS OR DELETIONS TO ACCOUNTS:

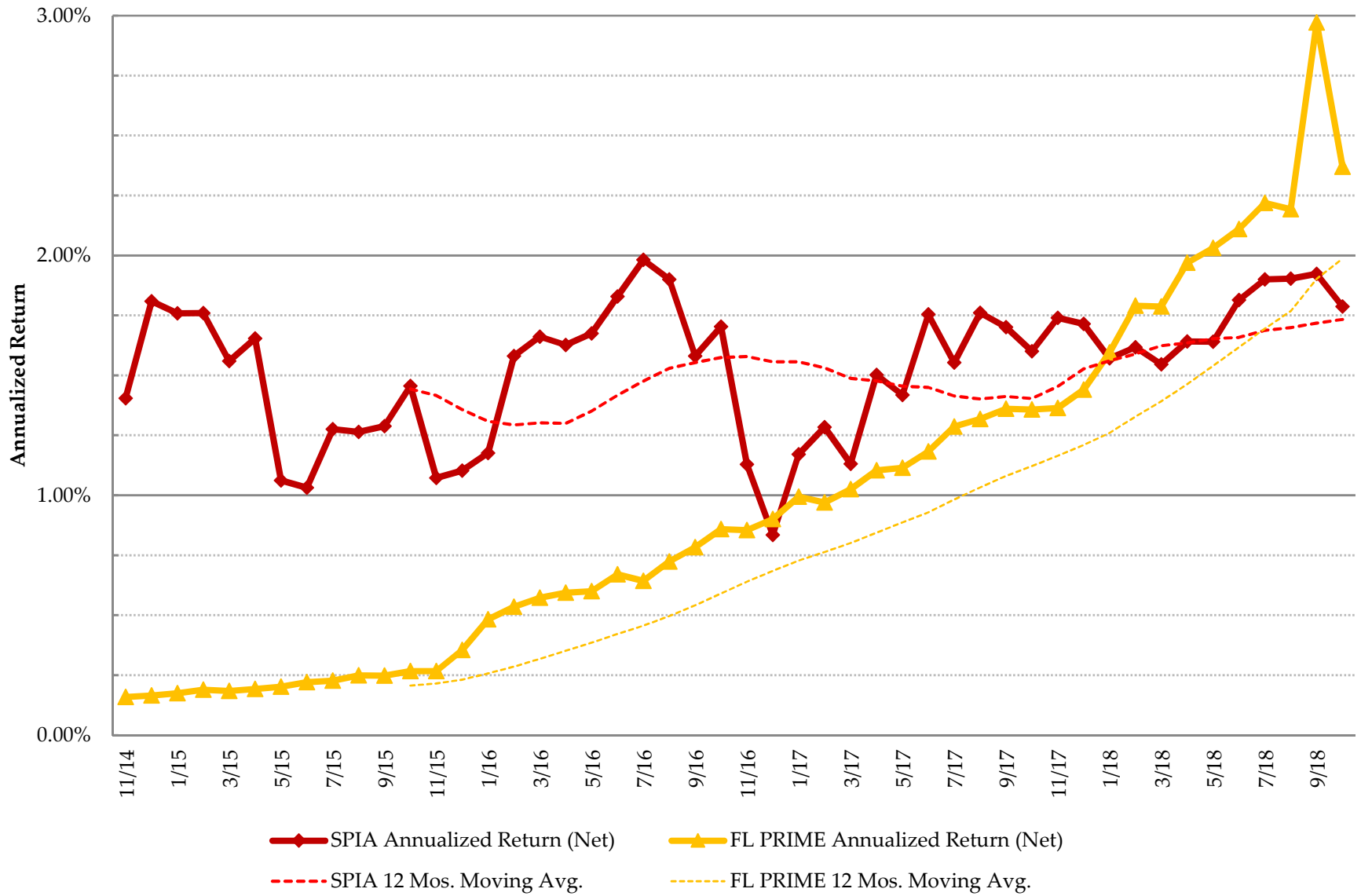
10/18 Transferred \$718,000 from SPIA to FL PRIME to take advantage of higher returns and expected continued rising interest rates; this was the maximum allowed liquidation from SPIA

Note: Security descriptions shown on reverse

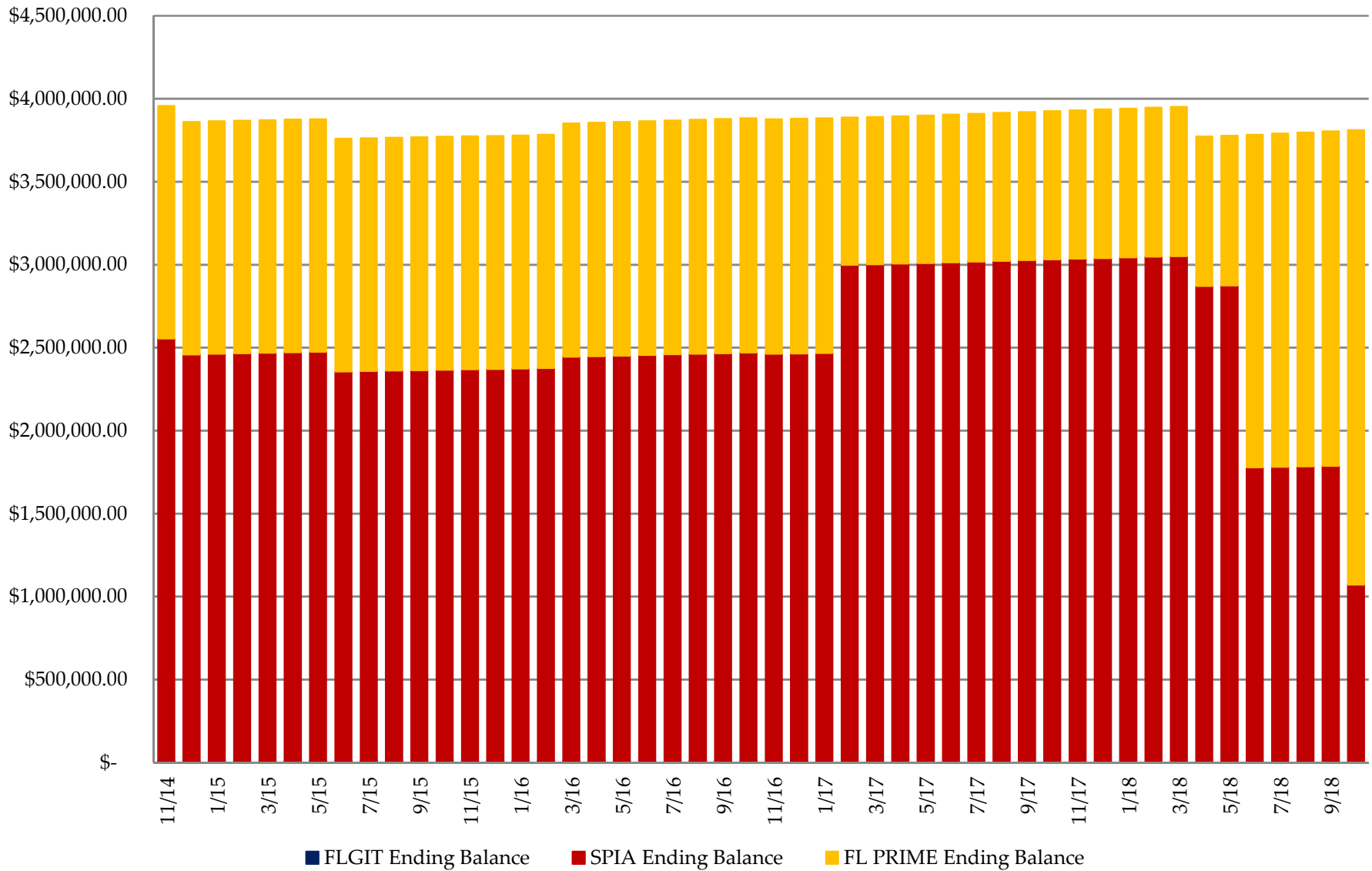
SECURITY DESCRIPTIONS:

- FL PRIME - SBA Florida Prime - The Local Government Surplus Funds Trust Fund (Florida PRIME) was created by an Act of the Florida Legislature in 1977 and currently serves over 800 participants across the state. Invests exclusively in short-term, high-quality fixed-income securities rated in the highest short-term rating category by one or more nationally recognized statistical rating organizations, or securities of comparable quality. Seeks to maintain a \$1.00 value and maintain a weighted average maturity of 60 days or less, with the maximum maturity of any investment limited to 397 days. Rated AAAM by Standard & Poor's, the highest rating available for a local government investment pool. Complies with legislation that requires numerous operational and reporting enhancements, including restating investment objectives to emphasize safety, liquidity and competitive returns with minimization of risks; and providing for enhanced internal controls, transparency and communication. Federated Investors has managed the assets of Florida PRIME to the exact specifications of its investment policies since February 13, 2008.
- SPIA – Florida Treasury Special Purpose Investment Trust – The Florida State Treasury operates a special investment program for public entities other than the State. This program is authorized in Section 17.61(1), Florida Statutes and is called the Treasury Special Purpose Investment Account (SPIA). Component units of the State, Universities, or Colleges that are created by the Florida Constitution or Florida Statutes are eligible to invest in SPIA. Current non-component unit participants, like the Authority, are allowed to stay in the program with capped investment limits and a minimum balance equal to 60% of the previous 3 months average balance. Liquidations in excess of the minimum balance require 6 months' notice. SPIA funds are invested in the same portfolio as Treasury funds, so the pool of funds has a stable base of funds (over 85% of the funds are captive trust funds) not needed for immediate disbursement. These funds are invested in a combination of short-term liquid instruments and intermediate-term fixed income securities. This “barbell” investment strategy, along with incremental income produced by securities lending, has the ability to return higher yields than a typical money market fund. Participants have the ability to invest and obtain fund withdrawals same day with an 11:00 a.m. deadline for notifying the Treasury. The SPIA maintains a credit rating of A+f by Standard & Poor's.

Leon County Research & Development Authority Investment Yield



Leon County Research & Development Authority Investments Balances



Director of Entrepreneurship Report – Nov. 2018

- Crossing fingers on the \$10.2M EDA grant
- SBIR/STTR program - REACH grant with FAMU
 - Planning a third seminar early next year
 - Creating a second (more advanced) SBIR/STTR seminar
- EEP Spring class planning for March 2019
 - Shifting focus to more tech-oriented sessions
 - Class time and effort counted under the REACH grant
- I-Corps Class II anticipated to begin February 12, 2019
 - University of Alabama instructors
 - Class time and effort counted under the REACH grant
- Working with TCC to assist in the development of a cybersecurity facility downtown
- Submitted a report to OEV showing that we served 58 individuals since February
 - 40 participants at SBIR/STTR training
 - 12 participants at EEP classes
 - 6 participants at I-Corps training
 - Several more were served individually, but overlapped with other events
- Met with three FSU professors and one FAMU professor about their ideas
- Met with a Venture Capital group out of San Francisco – Entangled Ventures
- Taught a class on small business finance for the College of Engineering

TechTopics

-TechTopics took place on November 7th at the College of Engineering. Had 33 attendees and kept it limited due to space

E-Club

-Planning to have another event early next year

TechGrant

-Beginning to set up dates and book venue

Monthly Newsletters

-Creating Monthly public newsletter and posting to website

-Creating bi-monthly newsletter specifically for BOG only(November sent on the 15th- only 56% of you read it)

Social Media/ SEO

-Continuing with the creation of month social media calendars. Posts are being scheduled for Facebook/Twitter, and weekly posting on Instagram and LinkedIn.

Social Media Stats (changes since August meeting): Facebook- 233 (+7), Twitter- 430 (+1), Instagram- 314 (+24), LinkedIn- 30 (+2)

-Engagement has increase on Instagram and Facebook especially

Website

-Website was revised to include a new Entrepreneurship section with new pages on I-Corps and SBIR/STTR seminars

-Also researched and created a STEM outreach platform regarding the education initiatives that park organizations have

-Improved ADA compliance on the website

Market Research

-Created a comprehensive list of all University Research Parks in the United States, as well as research parks, incubators and wetlabs in the state of Florida. Also provided information on other incubators and co-working spaces in Tallahassee

-Created an analysis of industry trends and comparative analysis of research park on the list stated above.

Other

- Working with MagLab and College of Engineering to change MagLab Open House into an all weekend event
- BE A SPONSOR for the MagLab Open House and FSU Event. This could be a great opportunity to make sure people know where they are at.
- Innovation Park is a sponsor of the ExperienceTLH. This event was postponed due to Hurricane Michael and will be taking place on January 12. We will still have a booth set up, and giving away swag with our logo on it.

**NAI Talcor Property Manager's Report to the
Leon County R&D Authority Board of Governors
10/1/2018-11/27/2018**

Occupancy:

Building	Leasable Square Feet	Vacant Square Feet	% Vacant
Phipps	14,661	0	0%
Morgan	23,240	1,519	7%
Johnson	28,385	0	0%
Collins	24,900	22,974	92%
Knight	3,060	0	0%
Total	94,246	24,493	26%

Non-Routine Repairs & Maintenance:

Building	Completed Since Last Report	In Process	Deferred/To Do
Phipps	<ul style="list-style-type: none"> Removed two dead pine trees. 	<ul style="list-style-type: none"> Install rear door lock. 	<ul style="list-style-type: none"> The irrigation system is not connected and has no backflow.
Morgan	<ul style="list-style-type: none"> Changed out one vents located in room 225D. Retro fit 2 pedestal lights along walkways. Cleaning of tile in bathrooms Repair ceiling from prior roof leak in the Southwest stairwell. Change out safety light. 	<ul style="list-style-type: none"> Changed out one vents located in room 225D. Paint ceiling from prior roof leak in the Southwest stairwell. Maintenance has been balancing the building keeping the temperatures warm for tenants. 	<ul style="list-style-type: none"> Common areas - Carpet cleaning and the interior of entrance ways.
Johnson	<ul style="list-style-type: none"> Added additional vents in the HVAC mechanical rooms to better ventilate the areas. Installed new thermostat. 	<ul style="list-style-type: none"> Replace light fixture in womens second floor restroom. Missing up light on right side of Johnson building. Duct detector needs replacement. HVAC # 14 compressor is scheduled to be installed in December. 	<ul style="list-style-type: none"> None

**NAI Talcor Property Manager's Report to the
Leon County R&D Authority Board of Governors
10/1/2018-11/27/2018**

Building	Completed Since Last Report	In Process	Deferred/To Do
Collins	<ul style="list-style-type: none"> Rear of Collins patio was pressured washed. 	<ul style="list-style-type: none"> Maintenance continues to balance the HVAC in the building. Replace compressor in HVAC unit 3 is scheduled to be done in December. Re-set damaged crepe myrtle to the rear of the building. 	<ul style="list-style-type: none"> Pending renovation: ceiling tiles need replaced One full HVAC complete system change out.
Knight	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Replace approximately 2 window screens. 	<ul style="list-style-type: none"> Back deck in need of repair. Wood rot is visible and deck needs paint. Exterior paint Interior paint of common areas.
Fuqua	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Painting interior of elevator. 	<ul style="list-style-type: none"> Irrigation repair to the flower beds in the atrium areas. Planting of flowers in flower beds to be planted once irrigation repairs have been completed in the spring.
Common	<ul style="list-style-type: none"> Straightened three sign posts on Engineering Way. 	<ul style="list-style-type: none"> Maintenance continues to straighten and clean all signs. Some signs are being hit by trucks or busses causing them to lean, bending the metal sign posts. Paint sign poles to "Innovation Park" signs once new sign is installed. 	<ul style="list-style-type: none"> Irrigation repairs around entrance monument signs. Plants and flowers around entrance monument signs.

Accounts Receivable Past Due as of Report Date (30+days):

Tenant	Invoice Date	Invoice Amount	Last Contact Date	Tenant Response/Date to be Paid/Comments
				No payments past due at this time.

Tenant Issues Encountered, Status of Other Outstanding Issues, Contract Procurements, Projects, Accounting issues, etc.:

1. Leak from main line near Johnson building required after hours emergency work.
2. The HVAC maintenance contract will be bid out in the coming months.
3. HVAC inventory of all buildings has been updated.

Management is working on the following projects:

1. The pole mounted signs that have not yet been updated are scheduled to be updated by the first week of December.
2. The renovations for the Morgan building restrooms are complete pictures are below.

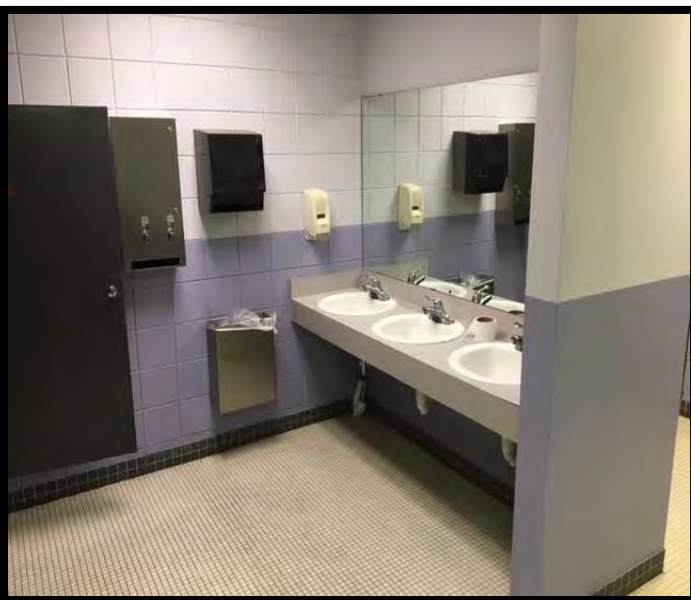
MENS RESTROOM BEFORE



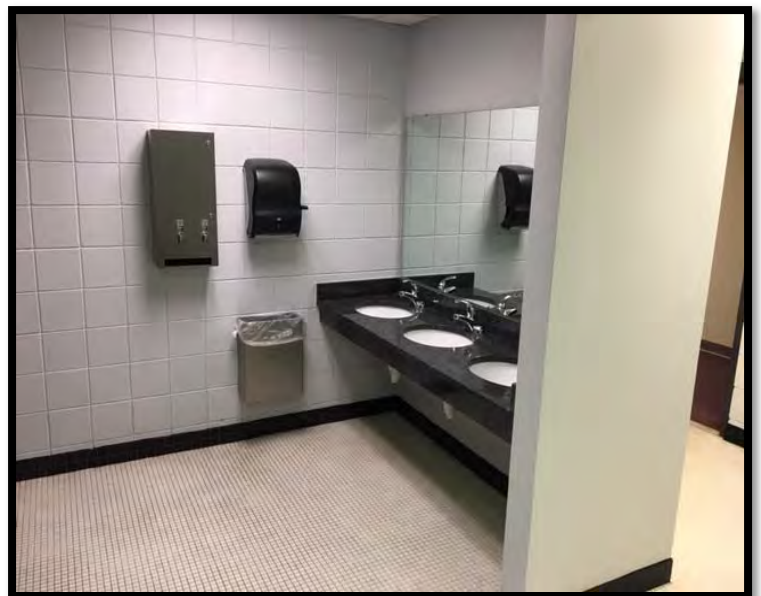
MENS RESTROOM AFTER



WOMENS RESTROOM BEFORE



WOMENS RESTROOM AFTER



BEFORE



AFTER



Executive Director Board Report- December 2018

EDA Incubator Grant Status: The grant application has been submitted and a decision is expected at any time, although there is no specific deadline. We last spoke with the EDA rep on November 19th. He suggested the review could go into December because of the holidays. We have answered a few questions from the EDA, but no substantive issues have been raised. We continue to work with the National Park Service Southeast Archeological Center (SEAC) and Florida's State Historic Preservation Officer (SHPO) to get ahead of any potential archeological issues with the site. A ground penetrating radar (GPR) study has been conducted by SEAC (report pending) to respond to SHPO's concerns. EDA has been kept apprised of progress.

501 (c)(3) Organization creation: General Counsel has reviewed my revisions to the Articles of Incorporation and Bylaws, but co-counsel has belatedly raised questions about the validity of creating a Type I support organization that they previously believed was appropriate and legal. We are awaiting their additional legal research.

Business Attraction: OEV has hired Canadian firm Research on Investment (ROI) to serve as its lead generator for business attraction efforts and has hired an in-house Business Development Manager for Applied Science and Manufacturing, Rebekkah Sweat. I made a presentation to ROI and OEV educating them about Innovation Park on October 2th. Rebekkah will discuss the opportunities for collaboration with the Board at the strategic planning meeting.

Collins Building: Although full renovations are on hold, we received a \$60,000 estimate to perform basic renovations of the west end of the building including carpet, paint, ceiling tiles, hallway doors, some partition wall adjustments, kitchen cabinets and plumbing, and minor repairs to make that portion of the building suitable for relocating LCRDA offices and creating startup space for existing Knight tenants and potential new tenants. Options related to this space will be discussed with the Board. We have met with two potential tenants for the east end of the building without any progress.

Central Pond Trail: Surveying and a 100% design draft is complete. I met with Public Works and the project engineer 11/28 to discuss budget, timing, and additional required elements like benches, signage, parking, pet waste stations, and lighting conduit. While the cost of the additional required elements is still being determined, based on rough estimates excluding the cost of conduit, the total estimated project cost is currently \$170,000 of the \$184,000 approved. I suggest the remaining funds be used, as necessary, to improve the visibility of the pond from the trail by reducing some of the tall vegetation.

The estimated cost of the conduit installation is \$26,000. My recommendation is that the conduit NOT be installed, and the trail be open from dawn to dusk like most other parks in the community in order to avoid security issues resulting from nighttime use. In the event future lighting is desired, I have been advised that solar lighting may be an option.

Permit applications have been submitted and are expected to take until late December to complete. One concern is the tree impact cost which I'm advised could be as much as \$9,000 (including in cost estimate above). Engineers are working with permitting to mitigate given that only invasive species and brush are being removed and only 6" of topsoil is being removed causing little root impact to other species. Upon receipt of permits, we'll then go to bid in January with construction beginning mid-February. Assuming all goes according to plan, we are expecting 30 days to construct with a late March completion date, prior to the April 6th due date per the contract.

Strategic Planning: The person we had planned to facilitate the meeting has backed out. The final agenda suggest he may not be necessary, and he had other pressing commitments. This report is included with the final agenda.

Leasing: FSU Anthropology has given notice that it wishes to exercise its option to extend the lease for one year from the July 31, 2019 date. The lease amendment has been drafted and is in process by FSU. It will be presented to the Board for approval. Annual lease revenue is approximated \$188,000.

Capital City Bank Presentation: I made a presentation to a future leader's council for Capital City Bank educating them about Innovation Park's mission, resources, governance, programs and future plans. I've been asked back to present to Capital City Bank's Community Advisory Board.

TCC Board of Trustees Panel: I will be participating in a panel for the TCC Board of Trustees meeting November 19 discussing collaboration opportunities in the entrepreneurial ecosystem.

Audit Committee: The committee met on October 29th, and the audit field work began November 12th. Due to the customary delay receiving information from the State for FRS reporting, we expect to have the draft report completed in March with final approval requested from the Board at its April meeting.

Investment Advisory Committee: The committee met November 8th and reviewed the committee's charter, investment policy, budget, financials, and investment performance. They were updated on decisions to move investments from SPIA to FLPRIME due to rising interest rates and their impact on the returns from these funds. There was discussion regarding the need for adjusting the \$1.4 million board designation of funds for capital projects particularly given the commitment of \$1.8 million toward the EDA grant. I will present further information regarding this question at the next regular Board meeting.

Other Activities:

- Meetings with Space Florida, Global Accelerated Ventures, Domi Station
- New County Commissioner Rick Minor briefing
- Hurricane Michael planning, monitoring and cleanup
- Hancock Whitney one-year contract extension
- Year-end financial statement review and audit support
- Site meeting with SEAC an SHPO regarding EDA grant
- Attend OEV ROI kickoff luncheon
- Meet with new OEV business development manager

Coming Up:

- Informal Bid Request 19-01 HVAC Preventative Maintenance and Repair
- Complete audit/GASB 68/Notes to Financials for FY 2017-18
- Executive Committee meeting
- New City Commissioner briefings
- Strategic Plan document
- EDA Grant?
- Non-profit creation
- Collins renovation
- Trail progress monitoring
- Strategic plan execution

SECOND AMENDMENT TO LEASE AGREEMENT

This Second Amendment to Lease Agreement (“Second Amendment”) is entered into this _____ day of _____, 20___, (the “Effective Date”) by and between the **Leon County Research and Development Authority**, of the County of Leon and State of Florida (hereinafter referred to as “Landlord”) and **Florida State University Board of Trustees**, a public body corporate of Florida acting for and on the behalf of the Florida State University (hereinafter referred to as “Tenant”).

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated April 25, 2017, (“Lease”) regarding the leasing of certain office property as further described in the Lease; and

WHEREAS, Landlord and Tenant amended the Lease with the First Amendment to Lease Agreement dated June 15, 2017; and

WHEREAS, Landlord and Tenant agree to amend the Lease, as more particularly set forth herein.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and in the Lease, Landlord and Tenant hereby agree to amend and modify the Lease as follows:

1. Recitals; Definitions. The above recitals are incorporated herein as true and correct. Any defined terms used herein that are not specifically defined herein shall have the same meaning as set forth in the Lease.

2. Term. The Lease is hereby amended to provide that the term shall be extended one year to and including the 31st day of July, 2020.

3. Rental Rate. Article II of the Lease is hereby amended to provide that effective August 1, 2019 Tenant agrees to pay in advance, and in full on the first day of each month, without notice or demand, the sum of Fifteen Thousand Six Hundred Ninety and 64/100 Dollars (\$15,690.64) per month for the term described in Article I of the Lease as amended herein.

4. Entire Agreement and Conflicts. Except as modified herein, there are no changes to the Lease, and the Lease as herein modified, is hereby ratified, reaffirmed, has been and remains in full force and effect. In the event of a conflict between the Lease and this Second Amendment, the terms of this Second Amendment shall control.

5. Counterparts and Facsimile. This Second Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution of this Second Amendment by the parties hereto may be evidenced by the transmission of facsimile or

scanned emailed copies.

Landlord and Tenant have executed this Second Amendment as of the day and year first above written.

Witnesses:

Name: _____

Name: _____

Name: _____

Name: _____

TENANT:

**FLORIDA STATE UNIVERSITY
BOARD OF TRUSTEES ACTING FOR
AND ON BEHALF OF FLORIDA
STATE UNIVERSITY**

Kyle Clark, Vice President for
Finance and Administration

LANDLORD:

**LEON COUNTY RESEARCH AND
DEVELOPMENT AUTHORITY**

David B. Ramsay, Chair