LONG PERFORMANCE ADVISORS

FEASIBILITY / NEEDS ASSESSMENT REPORT

Leon County Research & Development Authority

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"In order to be the community we want to be, most likely we will have to grow from within. While our community has a big problem with planning and not doing, our community is *ready* to do something."

– Interviewee comment

Executive Highlights

For this feasibility assessment, Long Performance Advisors initially conducted **thirty-seven** (37) formal interviews and **ten** (10) informal interviews with community leaders, University personnel, regional economic development officials, and citizens/involved parties in the Greater Tallahassee/Leon County "capture area" as defined by the Leon County Research & Development Authority (LCRDA) and additional individuals associated with Florida State University (FSU), and Florida A&M University (FAMU) and Tallahassee Community College (TCC). In addition, extensive industry benchmarking, best practice research, evaluation of existing documents and secondary analysis techniques were used to determine trends, insights, and approaches, and in addition shaped LPA's recommendations.

The following is a synopsis of the key observations made about the proposed feasibility of a business incubator in the Greater Leon County area:

There are many *POSITIVE OBSERVATIONS* about the LCRDA incubator effort:

It was encouraging to LPA to meet with researchers at FSU/FAMU and associated entities (i.e., The National High Magnetic Field Laboratory or MagLab) that are working on new concepts and ideas that may have direct commercial applications (i.e. alternative energy applications). These items may take time (and some investment dollars) to reach the commercial market, but they have significant promise and potential. In addition, it has been brought to the attention of LPA that in the past two years, LCRDA personnel have been exposed to significant IP at Innovation Park from some of the resident companies **(see appendix 7 for joint work between FSU and Innovation Park companies**). The FSU/FAMU Technology Transfer Offices are very supportive of efforts to commercialize technologies and start new companies, and the LCRDA does have access to the FSU/FAMU Technology Transfer patent database (however, for this report, LPA did not evaluate the Technology Transfer network at either University, and LPA did not assess the abilities of the Technology Transfer Offices to inherently form new companies). New developments in physics and new work in energy sciences have also been brought to the attention of LPA as potential start-up businesses in the near future. Partnerships with the MagLab, the Florida Virtual Campus, the FSU Foundation and many other organizations (see http://innovation-park.com/innovation-park-community-partners/) bode very well for the future environment and community building of creating a dynamic place for start-up companies in Innovation Park. This is similar to the development of the Purdue Research Park (PRP) in West Lafayette, Indiana, which

started with only a few companies in the agribusiness sector but now houses over 200 varied companies (**see appendix 4** for a brief case study). The majority of the companies at the PRP are focused on energy and aerospace (and other technology areas), but there are also still several agro-science/agribusiness companies as well. This "base model" could be easily adapted to the Innovation Park incubation situation, with some modifications, to build an entrepreneurial culture over time (thus the LPA recommendation to "build" on a base of a seed accelerator/mixed-use facility) and "cultivate" more start-ups as certainly success breeds success. The PRP business incubation program has had a cadre of graduates, and continues to look for new client candidates as resident companies grow and move on into commercial space; there is no conceivable reason that Innovation Park cannot repeat the success model observed in West Lafayette. This is the *normal operating mode desired* for any business incubator/research park, one LPA can definitely see the Innovation Park model emulating over time.

There are many local researchers who are experts in their field and are well recognized as outstanding published authors and speakers on various topics, including physics, biomedicine, energy and biotechnology. This is a clear advantage Innovation Park has over other incubators. Throughout the southeast region, LPA has observed many "wet lab incubators" that do not have access to such highly trained/specialized faculty or engaged experts interested in the emerging growth environment.

Ron Miller was mentioned time and time again as "a consummate professional who is always willing to go the extra mile" in helping any business in the park, or around town, for that matter. Several individuals designated Mr. Miller as a key individual who would be instrumental in making the incubator work for Innovation Park. Community support, and an incubator champion, is a key element for success. Early onboarding of the champion/entrepreneurial thought leader is an imperative.

FSU's College of Business was mentioned for creating several programs and for introducing new job skills in their curricula through their recent efforts, as well as for connecting students to applied learning opportunities in the local area through the InNOLEVation Center at the Jim Moran Institute for Global Entrepreneurship. FSU has an outstanding speaker's series, a veteran's entrepreneurial boot camp and an

excellent outreach program. They could significantly contribute to the success of the mixed-use business incubator. LPA typically "counts on" the association of the business school to work with scientists to develop business plans, to provide advisory and coaching for financial and general business development assistance and to do market research for startup companies in the incubator. If LCRDA moves forward with the project, formalization of a relationship with the FSU and/or FAMU business schools to provide services to the incubator should be explored .


Florida A&M University's commitment to Technology Transfer, coupled with their strong College of Pharmacy, are very significant items that solidify support for this project. Having assets like these behind the project lends additional credibility to the establishment of a business incubator/accelerator in Innovation Park. Also, the long-standing tradition of agricultural research and the pharmacy program at FAMU lends itself towards the potential use of wet lab facilities. In addition, pharmacy programs have been shown to be an excellent source of deal flow for business incubation/acceleration programs.


There have been significant developments in the Innovation Park area recently with the demolition of "Alumni Village" and the concept by Dr. Gary Ostrander, the Vice-President of Research of Florida State University to possibly place temporary buildings in the area to provide modular laboratory space. This indicates, to LPA, the recognition of a need for some level wet laboratory facilities. However, LPA advises that the University should obtain written commitments from prospective entrepreneurial ventures to lease the space. FSU may need to significantly subvene the leasing rates. In addition, wet labs planned on the first floor of the new Science facility should be better understood in planning the required capacity of the mixed-use business incubation program.


The options for physical infrastructure in the area are excellent, considering available sites/buildings, existing operations, and the opportunity to be close to other companies and other facilities (such as the MagLab, a national center of excellence). The incubator has great potential if a physical facility [approximately 7% of all incubation programs are virtual (no facility)] is chosen as a final consideration, with several existing sites in the area as good locations for an incubation facility. The Innovation Park campus has considerable acreage for manufacturing, research, and expansion, and

although it is located further away from campus and downtown, is readily accessible. This is an *extremely* valuable asset in an area where open real estate in the downtown area is limited. The available property in Innovation Park is an outstanding opportunity for a best- in class business incubation program, as land in downtown is hard to come by (although some buildings were pointed out to LPA as possible locations, and will be discussed in this report). As noted by Innovation Park administration, the availability of property at the park is a key reason for considering building the incubator, and to LPA, this makes perfect sense – especially in light of the synergies produced from surrounding companies coupled with leveraging community resources.

The Medical School at Florida State University continues to evolve. The facilities, equipment and faculty are all growing and attracting significant applicants to the school, and the school continues to enhance its reputation. The development of the school (particularly in regards to research) will lead to possibly several business offshoots, and that will be an asset to the incubator.

Innovation Park has very good relationships with Leon County and the City of Tallahassee and the economic development groups in Leon County. The City Government seems very enthusiastic about this project and will support it; the bigger challenge is who will support it *financially*. Some individuals indicated they would support the development of an incubator "as long as it was located in the right location and it was NOT called an 'incubator', per se" (some prefer the name "Accelerator" or other moniker).

LPA observations regarding critical business incubation success characteristics are as follows:

Governance & Structure

If Innovation Park were to consider a "traditional" incubation program, it should most likely be a type of *mixed-use program and facility*, as opposed to a strict specialized program/facility (such as "wet laboratory only"). While there is definitely an emphasis on biomedicine/biotechnology in the area due to the strong influence of the College of Medicine, the Biology/Biochemistry Departments and other such entities, and there is a lack of "wet laboratory space" for startup companies in the area (many establish

presence at Sid Martin), there is also great opportunity in various sectors and in the centers of excellence. Innovation Park should therefore take advantage of any and all opportunities to assist various types of start-up businesses. It is LPA's opinion a "mixed-use" facility, as over 54% of the facilities in the U.S. are designated today, would be in the best interest of the area at this time. There should be additional consideration given for a "Center of Excellence" in physics/magnetic field applications, as the National High Magnetic Field Laboratory is a "true gem" in Leon County, yet is not well-known in public circles, even nationally, for its full capabilities. It seems to be "hidden away", yet the amount of work being done there (and the amount of Intellectual Property - **appendix 6** includes FSU Patent Metrics and disclosures by area - being produced) is amazing, and could be a true asset to the area. In addition, cooperative projects could be arranged with other companies in the Park to stimulate the formation of new companies in engineering, manufacturing, aerospace, physical, earth, energy and "clean-tech" sciences **(See examples in appendix 7 of open and closed grants)**.

Client Recruitment & Deal Flow

A major area of concern for Innovation Park, as with *most* incubation programs, will be "deal flow" for the long term – the presence of enough "intellectual property" (i.e. new inventions) or start-up companies to warrant the formation of an incubator program/facility. Since the late 1990s, FSU has only had a handful of start-ups develop from a handful of patents in its IP portfolio, and FAMU has had very few startups at all (although the trend is improving for both portfolios). In 2013, FAMU stated it was associated with "13 start-up companies in 2013". The overall level of start-up activity in the immediate Leon County area in high growth, innovative sectors have not been particularly high. However, it is encouraging that Innovation Park has picked up the pace in the last couple of years regarding their focus on patent production, and the MagLab, in particular, has patented (22 over last three years) a number of new inventions. The presence of several new IP entities also bodes well for a future "sea change" in this area (such as the current companies resident in Innovation Park). This renewed focus could begin to build a reasonable Intellectual Property base in the future.

While initial indications were to make this more of a regional outreach project, regional participants (as if often the case) indicated they would be hesitant in "sending any businesses down to Innovation Park for incubation" as they felt it was either "too far away" or that they would "never return to our area, and we are responsible for economic development in OUR area, not 'way down' in Tallahassee." This is a *normal reaction* in the field of incubation, as local economic development personnel are responsible for economic development in their own areas. Certainly, Tallahassee is part of the

Northwest Florida network of support, programs and assistance; and certainly everyone would welcome more help, educational programs and mentoring from Innovation Park/FSU/FAMU/TCC in the form of incubation programming, training, and more "start-up companies". But, overall, it may be difficult to see having a physical facility in Innovation Park as an answer for them in terms of participation in incubation on a regional basis. There is also concern about limitations in the geographic reach due to the automotive/commuting costs of receiving entrepreneurial assistance in Innovation Park, even if geographically it is only 30-50 miles away on a map The typical drive radius for pulling prospective clients is about 45-60 minutes). However, the encouraging balance to this is ability of companies to access additional resources in the area (such as DOMI Station for IT companies, the Business Innovation Center in Panama City, the Jim Moran Institute at the FSU College of Business, The Advanced Manufacturing Training Center at Tallahassee Community College, and various governmental agencies (City/County/State/Federal).

Community Outreach, Sponsor Readiness & Support Infrastructure

The support infrastructure (human and physical) must include the following comprehensive access and project based coaching, advisory, and service provider network services.

- ***Access to capital*** (how to raise capital and what not to do in raising capital along with a continuum of capital access);
- ***Access to service providers*** (lawyers, accountants, strategists, specialized equipment and/or facilities, and networking);
- ***Access to talent*** (recruitment, retention, and growth of human capital required to move business ideas to market launch and commercialization);
- ***Access to strategic alliances/relationships*** (primarily with institutional/corporate partners and community organizations that could provide reciprocal and beneficial relationships to the incubator clients);
- ***Access to "strategic" resources*** (small business access to competitive health insurance products/employee benefits, consulting services, benefit plan design, business insurance etc.); and
- ***Access to mentorship and coaching*** (an emphasis and focus on product marketing, sales, intellectual property, technical advice, business coaching and doing business with State, Federal, and international Governmental agencies and organizations.)

FSU, as an institution, was perceived by the community at large (entire Leon County) as being unique with a plethora of special community assets. There was some inability of people on the outside of FSU to understand exactly what areas of research or expertise FSU faculty are working on that might lead to commercialization, particularly for

concepts related to forming a business (again, this is not unusual in the business/academic interface). The community was also concerned with additional institutions (FAMU, TCC) in regards to their areas of expertise in research – again, there was difficulty with explaining "exactly what they can/are doing" with regards to research/start-up efforts. Tallahassee Community College (TCC) was often held up as a model example of community cooperation and accessibility in regards to training and workforce development, particularly in reference to their Advanced Manufacturing Training Center. In any entrepreneurial endeavor, Innovation Park should strongly consider additional formal partnerships/MOUs with TCC and other institutions of higher learning in the area, and enlisting the assistance of an "officer of community engagement" to provide a "front door" to Innovation Park to the community. This would assist companies in the Park relative to taking advantage of all the assets in the community (and for marketing, would present a better picture of what the community has to offer).

While many individuals were very much on board with the concept of a business incubator, others seemed to have a misunderstanding of the basic mission and metrics of a business incubator. The lack of internal and external buy-in and ownership coupled with a lack of substantive knowledge of the potential economic impact[1] of incubation needs to be more fully addressed. This can be accomplished through greater educational efforts, and perhaps even through the use of some of the points in this document. In addition, it will be important to appoint an internal champion in addition to hiring someone to be the incubation professional responsible for programs, building the business resources network, fundraising, community outreach client recruitment and business development assistance.

It was surprising to hear some of the interviewees dismiss the presence of an entrepreneurial culture in Tallahassee and the surrounding area. Some were apologetic for the skill gaps in the labor force, the lack of excitement for "so many mom and pop" shops, and for the "poor environment for start-ups" in the area. There were concerns about the educational strengths of the labor force alignment with industry needs, the actual interest in entrepreneurship, and the ability to attract high-tech manufacturing that will rely on skilled workers/managers in the future. Also, there is an expectation of "low rent" and a cost sensitivity of paying for services on behalf of these types of businesses

[1] In the 2012 NBIA SOI, the three primary incubation goals most often cited as a high priority goal, in the creation of the incubator, were: (1) creating jobs for the local community; (2) fostering the community's entrepreneurial climate; and (3) commercialization technologies. Some individuals interviewed believed if there wasn't substantial value for Innovation Park itself, it should not be done, and several also challenged whether the University/Community really had a role in economic development or was it mission creep. Some questioned whether Innovation Park had discretionary resources to undertake such a program and whether the resources would be better leveraged somewhere else in the organization (confidentially). See Appendix 3 for Incubator Program Incubation Goals which "mirror" (not in % but in priority) the above three primary goals.

in the area (local entrepreneurs didn't understand the market value of lab space and demonstrated high levels of price sensitivity). *These are the primary areas of concern for placing an incubator in Innovation Park, along with the "remote" location.* As mentioned, without adequate and quality deal flow, there is no reason to build an incubation program. This was expressed by some, with others mentioning the availability of current IP in areas at the universities as "businesses ready to start" as proof of the "potential pipeline already present in biomedicine, biotech, energy, physics, engineering, and 'cleantech' in the area. With the increased efforts on the behalf of the university technology transfer offices and the presence of the MagLab and other significant companies in the park, ***it appears to LPA there is now a foundation established on which to build future efforts***. The community at large should be informed about these developments so a better understanding exists of the opportunities in Innovation Park.

There was also a concern expressed over the lack of specialized support personnel, in particular Intellectual Property attorneys and technicians/technologies for independent businesses (non-FSU or non-FAMU businesses); one must go to a larger metro area for that kind of service. Many others in the Leon County area also stated the "true lack of support for entrepreneurs by skilled professionals in other professions when called upon" as an area of concern, as well. This is not unusual in a smaller metropolitan population area; however, in the state capital, one would expect to find a number of professionals (attorneys, accountants, business consultants) – whether they will volunteer or not is another matter. However, there was a general feeling that loyal and committed individuals in the area would support the demands of an entrepreneurial service provider network as part of a comprehensive entrepreneurial ecosystem. Also, it is a "plus" to know that Innovation Park can take advantage of the FSU/FAMU/TCC system assets, including the patent resources there; this may prove to be a "tipping point" for part of this issue.

Entrepreneurial Ecosystem – A culture of Private Equity Investment

Funding sources, primarily angel syndicates, were an area of major concern as well. While there are few organized networks of funding, it was encouraging to hear from a few individuals who would support organizing funding networks and others who indicated they understood the importance of finding ways to support entrepreneurs financially in the region. The Leon County area must establish a network/continuum of capital sources to support ventures in all stages of their development and growth. There was concern that most established sources of angel capital were solely focused on

specific ventures "belonging to specific people." This is another area of *serious concern* for starting new businesses in Innovation Park. In addition, there is confusion over the total funding for the incubation project. Some individuals felt the universities (FSU, in particular) would cover the cost. However, others felt government sources (city, county, state) would provide a portion of funding, but the Universities would match it and then some funding might come from the private sector. One person stated flatly, "County and City government are not prepared to fund this project; if it is to be built, FSU will have to build it." The matter of the funding mechanisms must be publicly clarified including the potential economic development funding stream and commitment timing through the 2020 Blueprint plan.

In summary, there are two primary areas of concerns:

#1: "<u>Deal Flow</u>": For any incubation program to be successful, an area/region must have sufficient client prospects to be successful. In addition, there appears to be significant cost sensitivities to the potential imposition of client fees for leased space and services. This may have significant impact on the potential for an adequate size facility, with appropriate occupancy levels to produce a self-sustaining facility. Quality client recruiting remains an area of concern for the Innovation Park project, as with any incubation project.

However, the offset to this question may be in the recent changes in IP management and attention to IP production in the universities over the past year or two. Obviously, there are many things in the works at both universities in regards to concepts, ideas, and business opportunities, which is greatly encouraging regarding future deal flow. At the moment, none of these are formed businesses, but the opportunity is certainly present. In addition, as mentioned, significant IP production was noticed at the MagLab, and could be a source of future start-up businesses as well.

There is also an option, expressed by many of the interviewees, that the incubation program at DOMI Station has provided awareness and energy to the general concept of business incubation, and thus clients who would have formerly managed their start-up out of their home or a warehouse situation may now be looking for space in an actual incubator – and some may require a specific type of space (i.e. wet laboratory) that DOMI cannot provide. This may open up an opportunity to house these specific businesses in another location, as DOMI seems to now focus entirely on information technology and "office" businesses only, due to space-type constraints. Therefore, it is reasonable to assume these types of businesses would be looking for specialized space in the region, affording the potential for DOMI and Innovation Park to work together as

an “engine for the economy” in business incubation. However, again, the total numbers of attracted businesses at DOMI are rather low figures, and as noted, the types of companies attracted to DOMI indicate IT/General Office businesses as the most likely types of companies that DOMI will draw from in the immediate catchment area. However, a seamless hand-off from business venture formation and initial growth (at Domi Station) and second stage development of the venture (graduation) could occur at Innovation Park.

#2: [Innovation Park as the] Sponsor and Its Readiness: There is a reasonable coordinated institutional commitment to the incubator project within Innovation Park, especially by the LCRDA. As identified above, there is no current internal champion in place to serve as the visible incubator manager. However, this is not unusual and some people have been identified as possible champions. A business incubator is included in the strategic plan of Innovation Park as a “key link” in the overall ecosystem strategy of providing complete strategic commercial services to start-up companies; however, once an incubator is established, the “next steps” for small companies should also be identified (as in perhaps establishing a “graduation facility” or other services in the park to assist companies) as part of a longer-term plan to provide a complete entrepreneurial ecosystem. Also, the committed financial resources must be identified and secured on a long-term basis to insure the incubation program will be adequately supported, if it is started. It is obvious that Innovation Park is committed, and this issue may work itself out over time.

LPA Recommendations

Several years ago, Jim Clifton wrote the book, The Coming Jobs War, and he said, “Public school superintendents and university presidents need to think beyond core curricula and their graduation rates. Students don’t want to merely graduate, ***they want an education that results in a good job***. Likewise, today’s aspiring creative members of the workforce migrate to the cities that are most likely to maximize innovation, entrepreneurial talent and skills.”[2] It is through this integrated and community-oriented

[2] Dr. Richard Florida has written extensively that quality of place is going to be of growing importance in the coming era to keep cities vibrant and attracting talent and the "creative class. As he explains, “All community sizes and different types can create vibrant creative centers. However, they have to be

perspective that LCRDA engaged LPA to assess the feasibility and readiness of the Greater Leon County metropolitan area to support, nurture, and develop a collective and dynamic ***entrepreneurial*** future for its region.[3]

An integrated and cohesive core economic/community development strategy is typically comprised of four legs of a stool:

- Leg 1: business/targeted industry attraction activities,
- Leg 2: business retention/local expansion activities,
- **Leg 3: entrepreneurial development activities**, and
- Leg 4: workforce/talent pool readiness.

Communities, states, regions, and countries have long recognized that not only do universities attract talent and entrepreneurs; they also attract businesses in all kinds of diverse fields[4]. Throughout his tenure as Governor of Florida, the Honorable Rick Scott has reiterated both the opportunity and promise regarding the role of public universities in the job creation process and in addressing the formation of new companies. In one of his press releases, the Governor spoke to the Board of Governors and remarked, "Specifically, we are collectively focused on driving results around three key measurements: first, the percent of graduates who either get a job or further their education; second, the average wage of graduates; and third, the cost of a degree per graduate." In signing HB 705, which creates the Florida Capital Technology Seed Fund, Scott further commented, "In a little over two years we have created 330,000 private sector jobs and our unemployment rate has dropped to 7.1%, well below the national average. The bill we are celebrating today ***will encourage greater investments into Florida's start-up companies***, ultimately leading to more jobs and opportunities for Florida families."[5]

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unique and authentic to their character. Whatever the reason, authenticity plays an overarching role; creative workers—the innovative engine to our future economic prosperity—select communities that have all features of a complete authentic community."

[3] The Greater Leon County custom region (the Innovation Park service area), for purposes of assessing entrepreneurial demand/deal flow, has been defined in consultation with Innovation Park personnel as strictly the Tallahassee general area. The areas that *could* be included in a feasibility assessment might include: **Leon, Wakulla, Gadsden, Jefferson and Liberty** counties; however, typically, an incubator can only draw from a 30-50 mile radius of its main HQ location (if it is not in direct competition/conflict with other incubators/accelerators).

[4] Today, more and more economic development strategies appear to foster a focus on clusters that have been determined to match a community's assets with its most promising targeted industries/opportunities.

[5] **The Kauffman Foundation** and the **National Governors Association** made three important recommendations relevant to state universities role in an entrepreneurial revival. The first recommendation was, "states should ensure that the placement offices at their universities and community colleges expand their services to better meet the contemporary economy and their students' interests. Rather than simply scheduling job interviews with potential employers at the end of students'

At this time, LPA is making the following recommendation to Innovation Park. Rather than moving forward with a designated-use, single-focus type of incubator at this time (such as a wet laboratory incubator), ***LPA recommends Innovation Park move forward with a combination multi-platform effort of a seed accelerator program and a mixed-use business incubator model*** [6] (see entrepreneurial ecosystem continuum grid on **page 56**), in coordination with working with students/universities/existing assets, and building the community awareness, energy and excitement below. **This option (option 5 on page 57) will allow time for Innovation Park:**

- To gain more community and internal/external commitment, ownership, and buy-in along with clarity regarding the goals in moving toward a fixed, permanent business incubation program;

- To organize itself for formalizing and expanding its research and commercialization initiative by enhancing its discovery, licensing, and commercialization activities to build internal and external capacity;

- To begin a community outreach program to enhance communications, encourage access, and to assist the community in engaging the assets and strengths of the university in order to build institutional reputation that could be leveraged in a community-based incubation program;

- To better solidify potential deal flow from *every* potential source and demand in the total service area and to develop the many existing potential IP sources into "actual companies" for future pipeline flow; and

- To better comprehend the total costs, operating flow, time demands, personnel requirements, and total budget constraints for a permanent, full-time, large scale incubation program for the Greater Leon County service area.

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college terms, they should also offer real-time training, mentoring and networking to aspiring entrepreneurs on their campuses, students and faculty alike. The second recommendation is to encourage or require state universities to give greater freedom to faculty to license their inventions without having to go through campus bureaucracies (while giving their universities their rightful share of any royalties). The third recommendation is supporting commercialization education of faculty and students and other methods of speeding science to market would provide a better return on investment for taxpayer dollars." Source: Robert E. Litan, **States Key To Reviving U.S. Entrepreneurial Mojo: Opinion:** http://www.cnbc.com/id/46315054/

[6] For more details on how a seed accelerator model works, please visit Appendix 3 for a case study of Tech Stars and the Global Acceleration Network.

Frequently Used Entrepreneurial Development Key Terms & Concepts

The following terms are used throughout this report, and these definitions are provided to offer context for the various discussions and recommendations throughout the report.

Business Incubators – Comprehensive business assistance programs targeted to serve start-up and nascent companies and to graduate them as sustainable firms into the community. Typically, the term of assistance is one to five years (33 months on average.) There are nearly 2,000 business incubators in North America.

Commercialization Centers – Typically, Commercialization Centers are specifically designed to assist in taking technologies or early products through a process that completes product development, clearly identifies market and customers, develops scale-up and production strategy, and generally gets the technology/company ready for product launch. Some centers are focused on specific technologies or clusters and others are not. An example of a commercialization center is the West Texas Enterprise Center.

Coworking Space – coworking is best described by "CoHoots" in Phoenix, Arizona, as the **"**best elements of a coffee shop (social, energetic, creative) and the best elements of a workspace (productive, functional)" and when combined, these elements create an awesome and affordable experience.

Economic Gardening – Economic gardening connects entrepreneurs to resources, encouraging the development of essential infrastructure (e.g. capital, talent) and providing entrepreneurs with needed information. The Littleton economic gardening initiative provides local entrepreneurs with access to competitive intelligence on markets, customers, and competitors that is comparable to the resources customarily only available to large firms. Included in the market information category are database and data mining resources, and geographic information systems. These programs are geared primarily toward Stage 2 ventures with 10-99 employees.

Proof of Concept Centers – Proof of Concept Centers are a new model of support at some universities that provide seed funding and expert assistance to help entrepreneurs prepare for the strongest market entry possible. Recognizing that the Centers are an effective method for launching the commercialization of university innovation and to fill the seed-stage funding gap for new technologies, University Researchers can pursue their discoveries in their own labs and offices without moving into any central, shared space. For more information, please reference the following Kauffman report entitled, "**Proof of Concept Centers: Accelerating the Commercialization of University Innovation",**
http://sites.kauffman.org/pdf/POC_Centers_01242008.pdf

Seed Accelerators – Seed accelerators provide funding and short-term assistance (mentorship), primarily to web-based, software, gaming, and mobile apps firms. These accelerators are sometimes referred to as a "fast test" program. Examples include: TechStars, Sandbox, and Y-Combinator. There are over 130 programs in existence today, and many are for profit organizations sponsored by serial, cashed-out entrepreneurs and investors. Typical term of assistance is 1-3 months, $18-25K investment, and temporary space (sometimes in a co-working facility).

Venture Accelerators – Business support programs focused on firms that have grown past the start-up stages and need assistance to grow to scale. The objectives include: creating new high performance ventures, promoting the entrepreneurial spirit, enhancing sector infrastructure, and stimulating investor participation. The keys to Venture Accelerator success are: access to capital; experience in venture creation; commercialization method, and subject/domain expert network. Typical term of assistance is 3-18 months with no tenant space and $100K of funding. An example of this type of program is the Texas Technology Development Center.

Venture Development Organizations[7] (VDOs) – Venture development describes economic development activity that is focused on using best-practices and activities of experienced business mentoring and pre-angel and venture capital investing in order to help create venture and angel-capital-ready firms which have the promise to create significant economic wealth for a region, state or country including entrepreneurial wealth and jobs. Venture development organizations typically are organized as not-for-profit corporations and are focused on growing the venture rather than the innovation and services are adapted to the client's specific needs. They may manage for profit or not-for-profit seed funds. Their sources of financial support are corporations, local and state governments, universities, research institutions, foundations, and individuals. Jump Start and I2E are examples of VDO organizations.

Virtual Incubators (Incubator without Walls) – An incubator program that provides services electronically, with little or no face-to-face interaction or a program that delivers services to off-site clients. This term is also synonymous with affiliate client or virtual client.

[7] Federal innovation policy is encouraging stronger regional linkages. VDOs are large coordinating actors that have developed regional innovation acceleration networks (RIANs). VDO characteristics typically include: grounding in the region, building on existing, evolving innovation system within a region, a comprehensive portfolio of services, experienced management, and performance assessment impact data. US EDA is largely spearheaded the effort to create these networks and has become a funding mechanism for their efforts.

Feasibility Study Approach

This feasibility/needs assessment study was undertaken to include a broad representation of the region/county, its citizens, and its goals and priorities for its future. This study sought the input of key community leaders, economic development officials, educational partners, public officials and community/business people to provide the broadest and most comprehensive view possible of the entrepreneurial and economic development landscape in the potential service area and region.

LPA's Due Diligence efforts included:

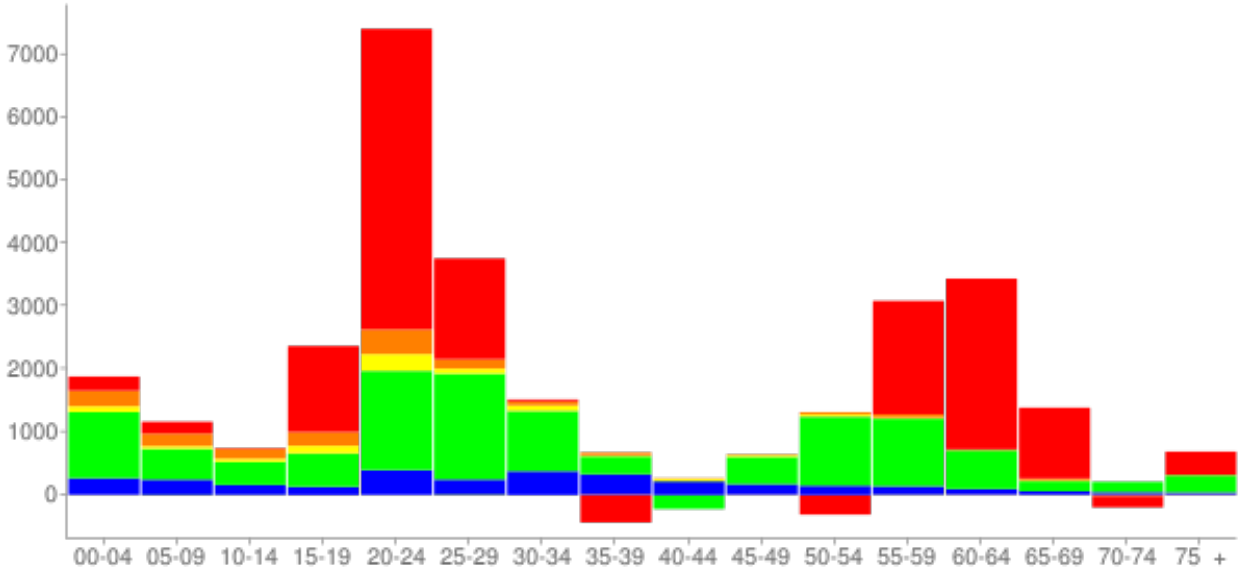
- Primary analysis through direct interviews with community stakeholders, key leaders, and community champions to understand key priorities, concerns and unmet needs.
- Extensive sessions with economic development personnel to determine what direction the Leon County area desires for its future, including analysis of key documents provided by Innovation Park personnel and documents obtained over the Internet.
- Secondary analysis of key demographic information, economic/entrepreneurial conditions, economic measures, metrics, and population/educational attainment, income levels both now and in the future that will drive utilization and interest in entrepreneurial programs and services through the use of third party data.
- Evaluation of key best practices, benchmarking principles, and critical success factors for a comprehensive business development**,** entrepreneurial and incubator program in the county.
- Discussion and feedback with key Innovation Park/University personnel with draft reports, discussion, analysis, and interface regarding points of differentiation, commitment, community relations, university interest, and strategic planning.
- Alignment with regional, cross-regional, and statewide efforts that support and develop the rural incubation concept as part of a comprehensive and integrated economic development strategy for the Leon County "service area."**

**** NOTE**: Service area for Leon County is defined by a custom service area analysis consisting of a limited area as defined in **Footnote 3**. This custom service area can/may be different from the total MSA or how the US government census defines economic growth regions. The service area is a "potential draw radius" for prospects for the incubator based on NBIA "norms".

OVERVIEW OF KEY NORTHWEST REGION ECONOMIC CONDITIONS

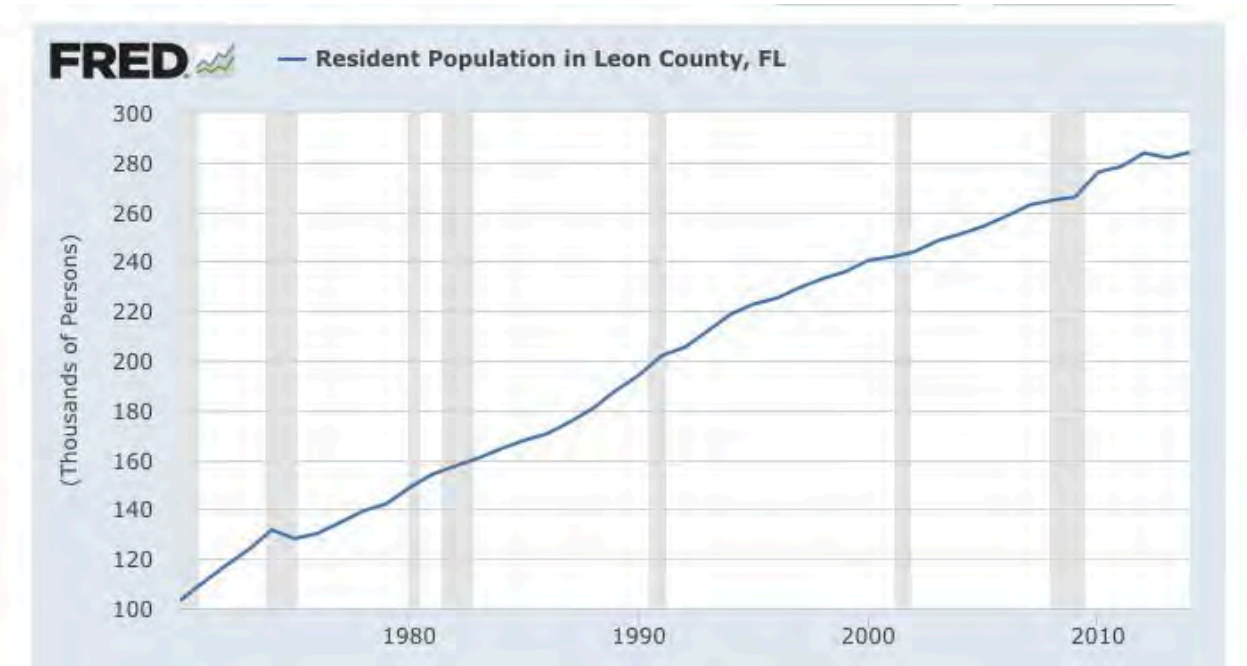
The Leon County MSA current and future economic conditions must be considered when studying the feasibility of business incubation in the area. Population statistics, per capita income, and new business formations are key statistics that provide insight into current needs and challenges of the community, particularly in a university community with a semi-transient population.

Figure 1 – Tallahassee MSA Population Change By Age 2000-2010



The blue bars represent Asian identified individuals alone; the orange bars represent two or more races; the light green bars represent African-Americans; the Yellow represents other; the red bars represent White alone. This graph shows change in population dispersion for the Tallahassee area from 2000 to 2010. In general, relative to population growth, the Leon County MSA had steady population growth level during the period of 1970-1990, and in the last 10 years that growth has continued to increase, and does not show signs of leveling off. The population of Tallahassee (metro) was 181,376 in 2010 and the population in 2000 was 153,430 (with Leon County coming in at 275,487). In the last 10 years, the population growth rate has been around a remarkable 18.21%. While Northwest Florida has grown at a much more rapid pace (during the same period, Broward County grew at 88%), overall, Leon County was one of the faster-growing areas in Northwest Florida (for a non-coastal county).

Figure 2 – Leon County Population Growth 1970-2015

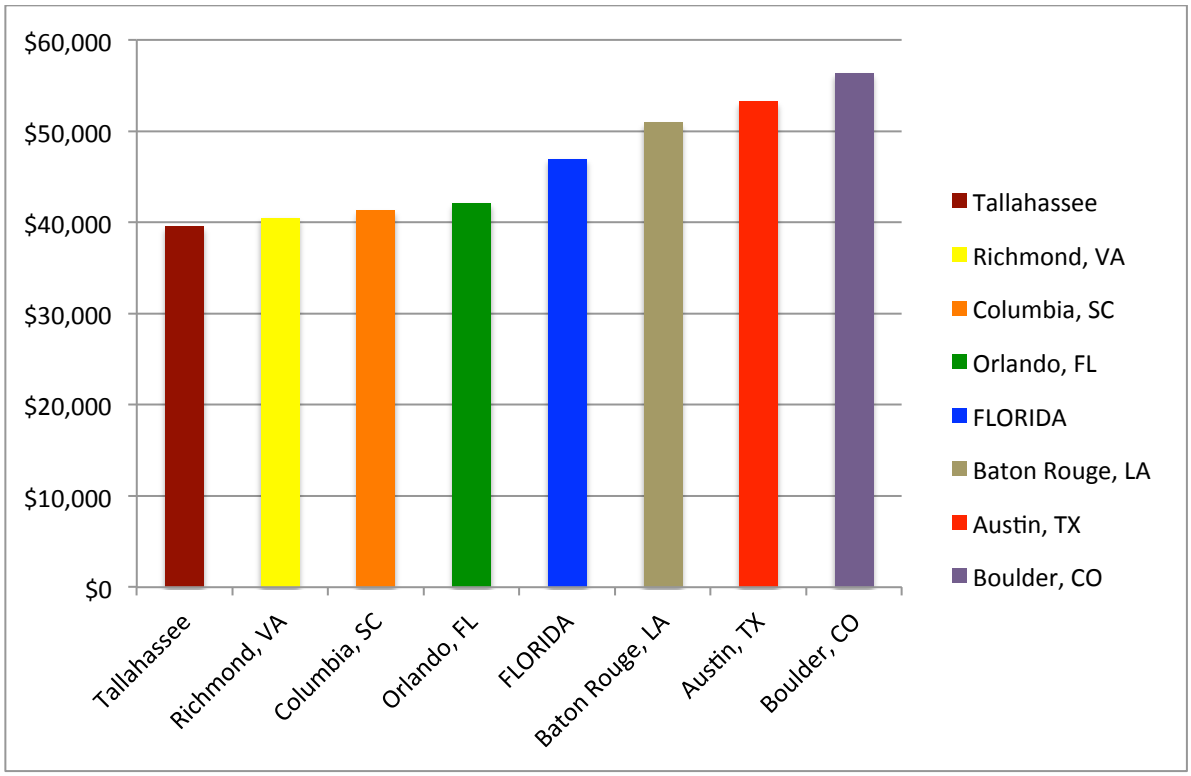


Again, Leon has seen a steady rise in population growth rates over the past 30 years, and the surrounding areas continue to show a slight rise in population as well. Almost every adjacent county shows a reasonably consistent increase in population level status over the past 10-15 years.

In addition, as shown in the U.S. Census Report* figures, median household income is higher in Leon County ($**46,369**) than in most of the surrounding counties (with the exception of Wakulla) and is around the average for the State of Florida ($46,956) as of 2013. The median household income for Tallahassee ($39,524) is somewhat lower than that of most other comparable capital cities that LPA would consider comparable for this report (cities similar in size that have research parks and incubators with wet laboratories): (Madison, WI; Columbia, SC; Baton Rouge, LA; and Richmond, VA). These cities range in per capita income from $55,494 to $38,593. Per Capita Income for Tallahassee is also significantly lower than other capital cities or for the State of Florida averages for per capita income (see graph, next page).

***NOTE:** While every effort has been made to insure non-duplication of areas covered in a regular Census Report, some data mentioned in a typical census report must also be mentioned within this incubator study to verify the findings and conclusions contained within this report. However, an assessment of "Standard of Living" and "economic validity" of data will not be covered in this report, except where relevant to business incubation and LPA's recommendations.

Figure 3 – Median Income Level Comparison



The brown bar in the graph above represents Tallahassee. The City that lies closest to Tallahassee would be Richmond, Virginia, at the bottom of the median income levels (2013 figures) at a household level of $40,496.00. Overall, the average of the State of Florida for 2013 of $46,956.00 is higher than four of the cities. All of these cities incorporate a major university, and all have a research park/business incubator.

Conclusion: On average, population growth in this entire region will most likely show continuing increases over the next two decades. Much of this increase may be moderated from the current "land volume restrictions" (the requirements of needing 5 acres or more to build on for major industry partners in the downtown areas) and current economic conditions (the current strategy of relocating industry to Florida due to the favorable industry climate/operating costs/tax climate, high cost of energy in colder climates, and general working conditions/workforce availability). Also, the increases in population in Leon County are encouraging and provide opportunities in the workforce and in the business community for future service businesses and retail opportunities for related "service" businesses. It will definitely put pressure on the areas of workforce development and workforce education. A key component of quality jobs and higher paying jobs will only come through a local entrepreneurial 'grow-your-own businesses' initiative, such as those provided by incubators and accelerators.

In addition, more recent data shows decreases in Private Non-Farm Employment from 2002-2012 in most area counties *(excepting Leon and Liberty)*; Leon County showed a modest increase in Non-Farm employment of only 2.9% in the past two years, while all others showed decreases, except a major increase of 60.5% in Liberty County (which LPA did not investigate for purposes of this report). For example, Wakulla County experienced a decrease in Non-Farm employment of -4.5%; however, Jefferson County had a net decrease of -7.7% (one of the highest in the NW portion of the State); and a slight decrease in Gadsden County at only -1.6%. Statewide, the total increase for Florida was 3.0%. All things considered, Leon County has "weathered the storm" of the recent "economic recession" very well, especially considering the high levels of job loss in the neighboring states and overall levels of job loss in surrounding counties.

Conclusion: There are people who are either starting new enterprises and/or current enterprises. Leon County is seeing modest growth in some existing sectors (to be examined later in this report) in the higher populated areas, while some neighboring counties have seen a loss of traditional heavy industry/manufacturing and only modest gains in tourism and traditional businesses. This is typical of national trends and reflective of recent economic trends. However, recent job loss in some counties is a difficult trend to reverse for growth; development of small businesses is often the key to reviving the service sector and the key to providing small businesses that can employ remaining craftspeople in the area. Small start-ups that provide goods and services to larger corporations are effective strategies for re-building a stagnant economy and revitalizing a workforce in need of direction and purpose. Incubation, whether virtual or building-based, can provide the guidance, direction, and sustainability to assist the birth and growth of these small businesses.

Significant Findings & Strategic Recommendations Overview

As stated earlier, Jim Clifton wrote in The Coming Jobs War, "Public school superintendents and university presidents need to think beyond core curricula and their graduation rates. Students don't want to merely graduate, ***they want an education that results in a good job***. Likewise, today's aspiring creative members of the workforce migrate to the cities that are most likely to maximize innovation, entrepreneurial talent and skills."[8] It is through this integrated and community-oriented perspective that LCRDA engaged LPA to assess the feasibility and readiness of the Leon County metropolitan area to support, nurture, and develop a collective and dynamic ***entrepreneurial*** future for its region.[9]

An integrated and cohesive core economic/community development strategy is typically comprised of four legs of a stool:

- Leg 1: business/targeted industry attraction activities,
- Leg 2: business retention/local expansion activities,
- **Leg 3: entrepreneurial development activities**, and
- Leg 4: workforce/talent pool readiness.

Communities, states, regions, and countries have long recognized that not only do universities attract talent and entrepreneurs; they also attract businesses in all kinds of diverse fields[10]. Throughout his tenure as Governor of Florida, the Honorable Rick Scott has reiterated both the opportunity and promise regarding the role of public universities in the job creation process and in addressing the formation of new companies. In one of his press releases, the Governor spoke to the Board of Governors and remarked,

[8] Dr. Richard Florida has written extensively that quality of place is going to be of growing importance in the coming era to keep cities vibrant and attracting talent and the "creative class. As he explains, "All community sizes and different types can create vibrant creative centers. However, they have to be unique and authentic to their character. Whatever the reason, authenticity plays an overarching role; creative workers—the innovative engine to our future economic prosperity—select communities that have all features of a complete authentic community."

[9] The Greater Leon County custom region (the Innovation Park service area), for purposes of assessing entrepreneurial demand/deal flow, has been defined in consultation with Innovation Park personnel as strictly the Tallahassee general area. The areas that *could* be included in a feasibility assessment might include: **Leon, Wakulla, Gadsden, Jefferson and Liberty** counties; however, typically, an incubator can only draw from a 30-50 mile radius of its main HQ location (if it is not in direct competition/conflict with other incubators/accelerators).

[10] Today, more and more economic development strategies appear to foster a focus on clusters that have been determined to match a community's assets with its most promising targeted industries/opportunities.

"Specifically, we are collectively focused on driving results around three key measurements: first, the percent of graduates who either get a job or further their education; second, the average wage of graduates; and third, the cost of a degree per graduate." In signing HB 705, which creates the Florida Capital Technology Seed Fund, Scott further commented, "In a little over two years we have created 330,000 private sector jobs and our unemployment rate has dropped to 7.1%, well below the national average. The bill we are celebrating today ***will encourage greater investments into Florida's start-up companies***, ultimately leading to more jobs and opportunities for Florida families."[11] As cited in the footnote and in the summary, Innovation Park has already formed significant partnerships with FSU, FAMU, TCC, and several economic development groups/agencies to address entrepreneurial needs of real-time training, networking, and mentoring, and to work together on this possible project. The Tech Transfer Offices at FSU and FAMU are also involved with Innovation Park to work closely with faculty in their commercialization pursuits for new technology discoveries. To continue to encourage significant faculty participation in startup enterprises, it is important that FSU, FAMU and TCC consider offering educational programmatic support for intensifying the commercialization capabilities of their faculty through an expansion of systems for rewarding faculty who produce Intellectual Property that leads to commercialization, much as other Universities (such as Texas A&M and the University of Maryland) have now included patenting and commercialization as part of the tenure/promotion process.

This incubator feasibility assessment focuses primarily on the entrepreneurial development leg of the stool. However, some recommendations for next steps may include commentary on any of the four legs of the stool to the extent recommendations relate to one another or are synergistic to achieving a higher rating in the CSFs (Critical Success Factors). To be clear, an incubator is a "center of economic activity which concentrates small businesses from a particular sector or sectors in a hub or ecosystem."

While published in 2004, the NBIA's seminal work on the most important strategies for incubators, A Comprehensive Guide to Business Incubation, the authors identify three

[11] **The Kauffman Foundation** and the **National Governors Association** made three important recommendations relevant to state universities role in an entrepreneurial revival. The first recommendation was, "states should ensure that the placement offices at their universities and community colleges expand their services to better meet the contemporary economy and their students' interests. Rather than simply scheduling job interviews with potential employers at the end of students' college terms, they should also offer real-time training, mentoring and networking to aspiring entrepreneurs on their campuses, students and faculty alike. The second recommendation is to encourage or require state universities to give greater freedom to faculty to license their inventions without having to go through campus bureaucracies (while giving their universities their rightful share of any royalties). The third recommendation is supporting commercialization education of faculty and students and other methods of speeding science to market would provide a better return on investment for taxpayer dollars." Source: Robert E. Litan, **States Key To Reviving U.S. Entrepreneurial Mojo: Opinion:** http://www.cnbc.com/id/46315054/

basic models for incubator-university partnerships. However, LPA has further enhanced and modified the second model described below:

There are <u>three</u> primary Incubator-University models[12]. These include:

1. **Model 1: University-run incubation program**, which may be operated as a division within the school or a separate entity under the school's jurisdiction. This option is usually selected when regional economic development is part of the college or university core mission and the university contributes heavily to the physical and human infrastructure and services portfolio of the incubation program[13]. In addition, the focus is on opportunities to strengthen the ties between the educational institution and the local business community.

2. **Model 2: Incubators with formal partnerships with colleges and universities**. This model may be the result of the formation of a quasi, public-private non-profit partnership with the college or university as one of the main stakeholder's in the entity. Other stakeholders Innovation Park/LCRDA (as the incubator sponsor), might engage include: SCORE, SBDC, the Chamber of Commerce, lead economic development organizations, city/county government, key assets or corporations in the community, and perhaps even other universities, colleges, or community colleges throughout the state.

3. **Model 3: Incubator programs with informal relationships with colleges and universities**. This model may include real-world class projects, internships, and providing students as part-time workers. This model may engage or involve several colleges and universities.

<u>LPA Finding(s):</u> Innovation Park needs to establish a working incubator advisory group of both internal and external champions (5-7 members) in order to create a common and cohesive vision for the incubator activities.

<u>LPA Recommendation(s):</u> LPA recommends in the governance structure CSFs (Critical Success Factors) that Innovation Park continue to pursue the development path of Model 2 and continue to broaden its incubator working group to include, at a minimum, FSU, FAMU, TCC, the local Economic Development Corporation, and the

[12] Linda Knopp, **NBIA's Comprehensive Guide to Business Incubation**, © 2004.

[13] Innovation Park should provide greater clarity in its goals and the potential benefits for the establishment of an incubation project. Consider best practices from Rose-Hulman Institute of Technology. There three main goals in establishing an incubation program were: (1) to encourage innovation within the region in order to create better career opportunities for its graduates; (2) to help build companies that could provide meaningful learning opportunities for its students and faculty; and (3) to establish a new standard for university-related technology incubators.

Leon County/Tallahassee City Government. Also, Innovation Park should capitalize on the utilization of the MagLab as a very strong partner in this effort.

The Potential Benefits/goals from Stronger University-Incubator relationships (benefits for entrepreneurs, students, and the colleges and universities) include, but are not limited to the following in the matrix:

University Incubators Provide Entrepreneurs….	University Incubators Provide Students….	University Incubators Provide Colleges & Universities…
Well-equipped labs, extensive libraries (physical and digital), and computer systems	Internships or part-time job opportunities	Opportunities to strengthen ties between the educational institution and the local business community
Technology expertise	Real-world examples for case studies and class projects	A system for bringing tech advances and products to market and creating additional revenue/income sources for the University
Well-educated work force	Opportunities to apply their knowledge to real business problems	A recruiting tool for faculty members and staff interested in entrepreneurial opportunities
Subject-matter experts among the faculty	Introduction to entrepreneurship early in their professional career	An opportunity to fulfill research, academic, and community service missions

LPA Findings: There is potentially some misunderstanding of the role an incubator would play in the greater Tallahassee community, overall. There is some "confusion" regarding the role of the DOMI Station relative to the establishment of an incubator, and how the two entities would co-exist/work together. That relationship should be clarified from the onset and jointly publicized. There is also a need for long-term clarification of resource requirements for success and sustainability, key metrics for assessing success, and the degree to which it might have a broader community-wide focus.

LPA Recommendations: LPA recommends Innovation Park should do more internal development to clarify the critical goals/benefits it desires from undertaking a business incubation initiative. There could be more development and clarity in the "strategic plan" that would provide a stronger rationale for why Innovation Park might pursue a business incubation project. In addition, Innovation Park should continue to define how entrepreneurial enterprises developed externally connect with the focus of Innovation Park and define this in its most recent strategic plan. This is a common "disconnect" at many University-sponsored Research Parks, and Innovation Park can avoid this issue up front by providing clear definition on how to handle outside companies who wish to enter their incubator.

Business Incubation Feasibility Study: LPA Critical Success Factors (CSFs) Assessment Criteria

An effective feasibility study will help determine whether the proposed incubator project has a solid market/deal flow, a sound financial base, and strong community support, all critical factors in an incubator's success. One of the early thought leaders in business incubation, Dr. Robert Meeder (1993) suggests that communities need to understand that business incubation is a long-term strategy, thus inflated expectations and the overestimation of their contributions to local economic development goals can be avoided through a comprehensive and integrated feasibility study process & assessment. Feasibility studies should also provide a reasonable estimate of development costs, future revenue streams, community readiness, ownership & buy-in, understanding of complex needs of local entrepreneurs, barriers and opportunities for local entrepreneurs, maturity of human and physical infrastructure for venture development and launch, and the cost-benefit ratio of the investment.[14]

Keep in mind as you evaluate and read the critical success factor assessment criteria, some of the key reasons for potential business incubator failure include, but are not limited to: (1) inflated expectations, (2) selection of the wrong manager, (3) overestimation of the incubator's role in an economic development plan, (4) overspending, (5) a failure to leverage resources; (6) undesirable location; and (7) lack of relationships with local institutions. Therefore, it is important in the design and business model construct that the major contributing factors for failure be considered and addressed.

The following will review LPA's ***preliminary*** findings and recommendations regarding critical success factors for the development of an incubator program. Each of the following critical success factors is evaluated on a three-point scale.

- **1 is Strong Strength;**
- **2 is Developing/Emerging Strength or Strength; and**
- **3 is Needs Improvement/Significant Risk area**

PLEASE REVIEW APPENDIX 2 – SUMMARY OF INTERVIEWS WHEN READING THE FOLLOWING SECTION OF THE FEASIBILITY REPORT.

[14] David A. Lewis, **Does Technology Business Incubation Work? A Critical Review** (2001)

Governance Structure 1 **2** 3

"I do think the incubator concept would work here in Innovation Park, and the Park's reputation would draw people into the community for facility, programs, and services." Interviewee comment.

The 2012 National Business Incubation Association (NBIA) State of the Business Incubation Industry (SOI) Study[15] indicates that 93% of all reporting incubators are non-profit with 7% having a for-profit status. LPA believes the best viable tax and operating status for the incubator would be to operate under the 501(c) (3) non-profit owned by LCRDA or a quasi, public-private partnership where the entity may be overseen by a Board of Directors formed in cooperation with the partners involved in the project (particularly the Universities). In fact, 32%[16], of all reporting incubators, in the 2012 NBIA SOI were sponsored by academic institutions. In the stakeholder interviews/assessment[17], there appeared to be support and recognition that the entity would need to be either owned & operated by LCRDA or by an independent entity formed through a quasi, public-private partnership (similar to a Community Development Foundation). There was universal recognition that the potential incubator would not be viable as a department of a University or as part of the DOMI Station project. However, it was also recognized that the universities (and DOMI) could be an excellent champion/partner for resources, student learning projects, and community outreach, but an external community advisory board would be valuable. On a few occasions, individuals interviewed conveyed the concern that incubators are somewhat unsuccessful in the university environment. However, this was a minority viewpoint, and as Innovation Park is more of an outreach of the community and is already partnering with the educational institutions (not as a subcomponent of a University), this should not directly affect this project.

LPA Finding(s): Innovation Park needs to decide whether its entrepreneurial efforts should be internally focused exclusively on internal/University projects or have an external focus on the community and independent entrepreneurs, as well.

LPA Suggested Actions: Innovation Park would need to determine who would be the initial partner "group." This initial founding/advisory group should include Innovation Park, FSU, FAMU, TCC, the MagLab, the EDC and the City/County as potential sponsors. In addition, a Community Advisory Board should be formed to provide guidance, direction, and marketing/public relation's support.

[15] 2012 NBIA State of the Industry Report (2012 SOI), page 6.
[16] 2012 NBIA State of the industry Report (2012 SOI), page. 8.
[17] Throughout the Critical Success Factor section of the significant findings you can review Appendix 2 for more details and specific comments drawn from the stakeholder interviews to form these overall opinions.

Type of Incubator 1 **2** 3

"Done right, there is enough demand out there for an incubator." Interviewee comment.

> "The Authority has determined one of its primary objectives is to determine how to help new biomedical/biotechnology businesses get started in Leon County, Florida. One strategy is to consider starting a "biotech incubator", equipped with "wet laboratory technology" to assist these businesses. The Authority concluded that a study is needed to determine if such an incubator could be successful at property owned by the Authority adjacent to Innovation Park."
>
> **LCRDA Request for Proposal (RFP) Number: 14-02, Wet Lab Incubator Feasibility Study**

Today, there are four major types of incubator programs: mixed use (working with service, manufacturing, and technology clients); technology (working in diversified technologies like bioscience); manufacturing (light assembly, advanced manufacturing); and service. In addition, within these categories, there are sector-focused incubators (clean tech, bio-pharmaceutical, energy, kitchen, software etc.) After careful review of the clusters in the service area and a review of the university research areas, it is recommended that the Innovation Park feasibility analysis would need to focus on a sub-type of a **mixed-use incubator**. There is *insufficient critical mass* at this time to support either a specific sector or an individual technology focus for a proposed incubator within the greater Leon County service area.[18] Today, mixed-use incubators account for nearly 54% of the reporting entities in the 2012 SOI (technology approximates 37% of incubation program types and 22% of all business incubation programs have a focus on biosciences and life sciences but less than 5% of all business incubators are singular sector focused.)

However – this does *not* mean that LCRDA should abandon the concept of building "wet laboratories", as we shall explore further in this report. It simply means, at this point in time, ***there is insufficient deal flow*** to dedicate an entire incubator to a biomedical/biotechnology focus. It is LPA's opinion that the incubator be "sub-focused" on wet laboratory technology, with additional (equal) focus on engineering and the physical sciences. The presence of the National High Magnetic Field Lab, and the great potential in engineering, aerospace, energy and design sciences, along with a high profile in Information Technology, certainly point the LCRDA program to a designation as a "Technology Incubator" – just not to a limited focus as a "wet laboratory biomedical/biotechnology" incubator facility. There is conceivable cost savings in construction and operational aspects for such a facility (as will be discussed later in this

[18] While traditional economic development recognizes the inherent strength in cluster-based economic development strategies (identifying a small number of industries to become the focal point for the region's development strategy), LPA does not recommend this cluster approach in rural communities relative to the incubator development or feasibility analysis. Typically, smaller communities do not have the diversity of assets to undertake a sector-focused entrepreneurial strategy due to lack of critical mass, deal flow, or specialized expertise to support such initiative.

report), and the possibility of building in the ability to expand if the demand for wet laboratories should increase in the future. In addition, recent advances in how startups conduct research often results in startups needing more of a flex-space and timeshare approach to wet lab utilization (See Santa Fe Business Incubator's new flex-space http://www.sfbi.net/services/BioScience_Lab/).

Indeed, in the stakeholder interviews/assessment, there was some concern expressed overall that if the incubator was solely focused on high tech biomedicine/biotechnology, it was not worth pursuing since the record of Intellectual Property in the area did not present an adequate picture of startup activity in these fields (2-3 startups a year).

To date, although FSU does great research in the sciences, they lack a long-term history of having IP/commercializable assets in the biomedical and biotechnology areas for startups. In the immediate service area, as mentioned, FSU does have a medical school, which can be quite beneficial in fostering innovation and new business concepts. However, it is worth noting that although certainly FSU has a significant medical school, and FAMU has an active pharmacy school, the medical school is fairly new and has a research budget (*2013 FSU School of Medicine Annual Report) of $43.2MM. If one looks at recent technology transfer and research department statistics available through the Association of University Technology Manager's (AUTM) 2012 Annual Report, FSU produced 13 licenses for technology in 2012, 27 U.S. patents were issued, technology transfer revenues were $1,133,065 and 2 startup companies were produced, from a total FSU reported research budget of $198,910,113. Also reported were 74 new invention disclosures, and 46 new patent applications were filed in 2012. (See **Appendix 6** for internal FSU report on patenting activity). FAMU does not report any technology transfer numbers to AUTM.

The important conclusion to draw from this information is exactly what LPA is suggesting – the incubator should be more of a "mixed-use", multi-utility type of space, rather than being limited to a wet laboratory facility. At this time, Innovation Park cannot expect to see a "flood of biomedical/biotechnology companies" coming into the incubator from FSU/FAMU. However, it was encouraging to LPA to meet with researchers at FSU/FAMU/the community at large and at other companies who are working on new compounds/formulations for pharmaceutical applications and in new concepts in energy sciences/bioenergy that may have direct commercial applications (i.e. Bing Energy), although these items may take some time (and significant investment dollars) to reach the commercial market. In addition, it has been brought to the attention of LPA that in the past two years, MagLab personnel have produced significant IP in terms of applications in various areas of physics related to energy technologies and in fluid dynamics and other fields. **See MagLab and other centers of excellence IP performance in Appendix 6.** The FSU and FAMU Technology Transfer Offices are very supportive of efforts in Innovation Park for the commercialization of technologies

and for new companies to start, and Innovation Park does have access to both Technology Transfer patent databases (however, for this report, as is typical and required for feasibility work, LPA did not perform an audit of the University network, patent database, or the Technology Transfer offices). Partnerships with the MagLab, plus advances in the energy sciences, efforts to utilize the aerospace facilities in the park, and other new projects bode well for the future of start-up generation in Innovation Park. This is similar to the development of the Technology Farm in Geneva, NY, which started with only 3 companies in the agribusiness sector but now houses 12 companies (a different sector focus – agribusiness – but yet the Technology Farm also welcomes companies in IT, general sciences, and other areas, as LPA is suggesting for Innovation Park). The majority of the companies at the Technology Farm are focused on agriculture/agribusiness, but there are also a few energy/IT companies as well, and there are wet laboratory facilities at the Farm.

This "base model" could be easily adapted to the Innovation Park situation, with some modifications, to build an entrepreneurial culture over time (thus the LPA recommendation to "build" on a base of a seed accelerator/mixed-use facility) and "cultivate" more start-ups as certainly success breeds success.

For example, The Technology Farm (Geneva, NY) has seen several graduates, and continues to look for new client candidates as resident companies grow and move on. This is the normal operating mode desired for any business incubator, one LPA can see the Innovation Park model emulating over time.

Another good model similar to a physical incubator but focused on internal faculty discovery and launch was announced by Purdue University. Purdue garners over $600 million in research grants, and announced the formation of an Innovation & Commercialization Center [19]. This center will move Purdue discoveries to the marketplace more quickly, increase revenue for the university, and spur economic development in Indiana and the nation. These are all similar goals worthy of achievement by Innovation Park as they figure out how to strategize on increasing research expenditures and moving ideas more confidently to the marketplace. Purdue University's I&C Center will serve as a "one-stop shop" for faculty and staff inventors and offer seed grants and other funding for testing concepts, developing prototypes, or participating in joint technology development projects with external partners. Over $1 million in gift funds donated by alumni entrepreneurs will support first-year activities at the center.

[19] Source: http://www.purdue.edu/newsroom/research/2012/120124CordovaICC.html

See Appendix 4 for additional background information in both of these benchmark programs.

LPA Findings: There is insufficient critical mass of intellectual property inside Innovation Park and inside FSU/FAMU/Leon County ***at this time*** to focus *exclusively* on wet laboratory research activities. Innovation Park will need to build community linkages that will cause "reluctant incubator referral agents" (service providers, angels and other investors, community leaders) to promote and refer to the incubator. Due to the potential size of an incubator facility required for sustainability (a minimum of 20,000-30,000sf), Innovation Park will need to broaden its incubator activities to attract more clients from the surrounding community at large. *This is the typical model found in most business incubators in the U.S.A. Keep in mind the LCRDA Business Incubation Program Business Plan will need to examine sensitivity rates to some key metrics – gross to net square footage; occupancy rate, and revenue per square feet.*

38 of the total invention disclosures were in two centers of excellence. The University's centers of excellence could be a significant driver of commercializable intellectual property if properly connected to the incubation/acceleration program. *Additional core institutional assets include: The Center for Applied Power Systems, the Center for Superconductivity, the emerging FSU Medical School, and the MagLab.*

LPA Suggested Actions: In general discussions, Innovation Park personnel agreed there was a lack of critical mass for a focused sector or specific technology incubator. There is inadequate deal flow to support such a "singular focus" high tech facility. Furthermore, the size of facility required for self-sufficiency would be too large for consideration at the current time, and would take too much time to achieve a necessary break-even occupancy rate to support itself. The only model likely to be successful is a hybrid that would develop and commercialize university faculty discoveries and would also be available to commercialize and develop community ventures by local entrepreneurs.

Innovation Park should pursue the mixed-use and the seed accelerator options in the timetable described in the recommendation section of this report.

Sponsor's Readiness & Potential Partnerships 1 2 3

"Great idea, and I'd love to see it, but not a super-duper demand for it." Interviewee comment

Assessing the sponsor's readiness involved speaking with a varied group of internal and external stakeholder's/constituents. While there has been discussion and conversation over the past few years about a business incubator within Innovation Park itself and in the greater Leon County service area, there was a general lack of specific incubation knowledge and engagement of many of the individuals interviewed for the feasibility study. While there was no strong opposition, there was not any clarity of the role that some of the players could play in the development of a successful and integrated incubator. In addition, there are significant barriers in the area's culture including general risk aversion, a "not-invented-here" mentality, a "that's the way we have always done it" attitude, and the lack of recruitment and capital sourcing for entrepreneurial enterprises. These cultural norms must be addressed prior to launch of a physical business incubation program. In addition, the business incubator must establish reasonable expectations of the role and difference the incubation program can make in a community (2012 NBIA SOI identified the top 3 program goals of an incubator: [1] creating jobs for local community, [2] fostering community entrepreneurial climate, and [3] building and/or accelerating growth of local industries.

Some significant areas that are potentially problematic include, but are not limited to, the following:

Since 2005, the Leon County area has only had 4-5 true biomedical/biotechnology start-ups develop overall that LPA could discern, and FSU and FAMU have seen very few, if any, develop from their small number of patents in their overall intellectual property portfolio (AUTM Technology Transfer database data and annual reports, 2005-2012). The research activities conducted at FSU/FAMU are often referred to as "bench scientists with brilliant concepts that may/may not be concerned about commercial products." It is important to note that this is ***not unusual in any research institution***. However, this level of start-up activity would not be adequate to support a physical wet laboratory business incubator exclusively focused on commercialization of FSU-FAMU technologies. There must be universal support within the area academic family for Innovation Park to expand its outreach to include community-based entrepreneurs in its entrepreneurial outreach programs for the incubator to succeed. Fortunately, Innovation Park has the support of the FSU/FAMU Technology Transfer departments, and this will help Innovation Park in developing a "future pipeline" of inventions and startups from new FSU/FAMU inventions, per university administration, as the research at both schools continues to develop. In addition, according to a recent presentation by Steve Evans ("**Community Economic Game Plan - Leon County, Florida"**), there

has been a recent surge in startups formed at both FSU and FAMU, and also a recent focus in the last 3 years in patents filed at FSU (average of 104 applications and 65 disclosures).

Innovation Park has to be one of the most accessible institutions for community engagement LPA has ever evaluated. It has an outstanding reputation locally for being a tremendously cooperative group, and it is definitely a "community landmark". Locals call Innovation Park an "institution/location of importance" in the community. Throughout the community interviews, this was cited as a major reason why many community/locals felt the campus was an ideal location for the incubation, should the feasibility study prove positive (although certainly there were some who felt it could be better located downtown, and still others felt it might be best served co-located with DOMI – there will always be different opinions on this aspect). The concept of Innovation Park operating an incubator was simply seen as a way Innovation Park could better meet the needs of the community it serves. Innovation Park has a strong reputation as being industry-centric, responsive, demand driven in its programs and services, and easily accessible. **Innovation Park was lauded by local economic development personnel as "highly involved" and "highly accessible" relative to economic development and cooperative with local businesses.**

On a scale of 1 (impossible to deal with - insulated & ivory tower) to 10 (Fantastic/outstanding to deal with/valuable partner), the majority of those interviewed placed Innovation Park as an 8 to 9 on this 10-point scale. Some individuals indicated they "would definitely feel comfortable with Innovation Park owning and operating the incubator" and in fact felt it was an obvious choice. However, it is worth noting that those further downtown, in central Tallahassee, felt the actual physical place of Innovation Park was rather "inaccessible" solely due to *location*, not reputation. They would not send referrals of potential businesses to Innovation Park because of the distance involved; it has little to do with the actual "reputation" of Innovation Park. It is worth noting that the majority of companies served by these individuals are "Information Technology" (IT) companies, and these companies would not use "wet laboratory" facilities; however, these types of companies might augment biomedical/biotechnology/engineering types of companies, and could be valuable assets to Innovation Park. This furthers LPA's opinion that Innovation Park must consider a "modified mixed-use model" and open its doors to community-based entrepreneurs; the local community is expecting this type of cooperation and function.

FSU's College of Business, with the Jim Moran Institute for Global Entrepreneurship, has an outstanding, student-centric focus and a deep community understanding/visibility of its role and significance. However, this depth of entrepreneurial services to the community is currently focused on global projects and various "specialty areas" that do

not include biotechnology/biomedicine. This may be due to the past lack of opportunities for cooperative projects at the FSU School of Medicine for student participation; in the future, if the incubator is built and wet laboratories are incorporated, a strong asset to the facility would be the incorporation of assistance from the FSU School of Business and the JMI. It was encouraging to LPA to hear that the JMI holds such events as a "Shark Tank Challenge" and there is already a cooperative effort in place with DOMI Station. The utilization of student teams and groups of students to do research, provide market information, write business plans, and serve as interns in start-up companies is invaluable to many new companies, and also this provides tremendous experience for the students.

While there is clear evidence that one of the most strategic locations/best places for a business incubator to be located is within the Innovation Park grounds, there was some concern expressed about proximity to both campuses and ease of faculty accessing the incubator. To clarify: Innovation Park is technically only 10 minutes from the university campuses, however, the facility itself is located "off the beaten path" and on smaller back roads, difficult for semi-trailer traffic, and not directly accessible to faculty, as three interviewees clearly stated. However, it is the opinion of LPA that the Innovation Park campus is indeed the ideal location for such a facility. According to a recent project narrative entitled, "**Plan for the Development of a Wet-Laboratory Incubator at Innovation Park, Tallahassee, Florida"**, there is considerable space available for the facility and future expansion, and the impact of the park on the incubator is extremely beneficial and positive.

Considered a best practice incubation program, South Dakota State University's[20] approach, which was documented in an article in 2011 where it stated, "A research park's "place" is much more than the "location, location, location" of real estate. A research park has to be that place where people, ideas and programs come together and empower entrepreneurs and scientists in the commercialization of their intellectual property. People are the key to economic development; and ***people need a place to innovate***."

To further support this approach, Battelle conducted a joint study in October 2007 with the Association of University Related Research Parks (AURP) and found, "**Research parks are placing greater emphasis on supporting incubation and entrepreneurship to grow their future tenant base and less on recruiting."** Of the research park directors responding to the survey, 95 percent indicated that creating an environment that encourages innovation and entrepreneurship is a high priority, with 71 percent indicating it as a very high priority for their park.

[20] John Kubal, **The Innovation Campus: It Is All about the Power of Place.** The Brookings Register. April 16, 2011

LPA Findings: If the activities are to have a community-orientation, Innovation Park will need to address the priority of attracting non-University companies to the campus, aiding non-University companies in getting assistance from the business school, and address access to and from the campus for all companies and faculty (increasing ease of access). As always, when cooperating with private companies and university faculty, ownership of jointly formed companies (between FSU/FAMU, between FSU and/or FAMU and outside individuals and other combinations) must be established in advance with proper documentation, division of Intellectual Property, governance, and potential conflict of interest issues etc.

LPA Suggested Actions: Innovation Park should insure there are no barriers to increased campus access by the community, while at the same time insuring the safety and security of the Innovation Park campus. This may require careful design for ease of access to the proposed site for the business incubator, to allow visitors and outside groups to be able to easily access the building while making sure they do not "wander" in and out of other secure Innovation Park property/sites. Also, Innovation Park should establish some measurable benchmarks for the resident incubator client efforts and target the focus on attracting and growing companies that can "add to the Innovation Park portfolio". Ideally, Innovation Park should seek to utilize a 5-7 member Community Advisory Group including outside members to guide, direct, and support the initiative. If an incubator is ultimately pursued, then some consideration should be given to perhaps co-locating the SBDC or some other support organization to anchor the incubator facility and to provide business acumen and support to new startups; the more support Innovation Park has in/with the facility, the better.

Note: There needs to be clarification of the ICRB incubation intent. It was clear that there would be wet labs. It wasn't clear to LPA that in the 2015 legislative priorities funding would be sought for the incubation space independent of the facility anticipated by LCRDA. Although FSU did not receive its 2015-16 funding request for the IRCB, it plans to continue design and associated work. They will reapply for funding in 2016.

Interdisciplinary Research and Commercialization Building (IRCB) – STEM faculty in the physical sciences and engineering increasingly share core facilities, including interdisciplinary research labs, since these arrangements facilitate collaborations across department and colleges that can lead to unanticipated discoveries. Through construction of the IRCB, Florida State will take a significant step toward this new model of research space that is open and flexible, and has the ability to grow and adapt to change. **Additionally, the IRCB will provide incubator space for the development of start-up companies based on University inventions and discoveries, and the commercialization of its intellectual property.**

Request for planning phase: $5 million

http://www.advocateforfloridastate.fu.edu/site/PageServer?pagename=priorities

Close ties with Community Stakeholder's (City/County/Higher Ed) 1 2 3

"We have an issue of divisions in our community. A strong Innovation Park = a stronger community, it helps to bring down barriers." Interviewee comment

"We are a community of a lot of divisions. Nobody works well together- the city doesn't work with the County and the Universities really don't work well together." Interviewee comment

The City of Tallahassee and Leon County Government are fortunate to have cohesive and functioning governments that, from our perspective, seem to work well in terms of economic development. The stakeholder interviews/assessment generally agreed that the business climate was conducive to creating a place that attracts and retains businesses and jobs.

However, two issues surfaced: first, there were undertones that the pro-downtown perception may hurt business retention and attraction activities in Leon County, in general. Secondly, there was concern about demand driven skill gaps/deficits and employers not finding the skilled employees they needed for their open positions (critical mass). The representatives from government expressed cooperation and enthusiasm for the incubation project, and emphasized that government is very concerned about economic development in the Leon County area. Government officials enthusiastically supported the business incubation concept, and indicated they would definitely encourage the development of the incubator project. While a source or amount of funding was not disclosed, and that was not a specific question posed to government, this should be explored with both sets of officials in the future, as an incubator will definitely benefit the county[21].

Economic Development officials were equally supportive of the need for an incubator but expressed some reservations on how ready the community was to launch an incubator initiative. Two other concerns were raised that Innovation Park should address: one, there is significant community confusion on who to speak to in the community when something is needed in regards to starting up a business (no front door to access the expertise and resources of the entrepreneurial ecosystem) and two, the need for Innovation Park to more openly communicate its long-term plans and engage the community in them. Examples included the Innovation Park "re-purposing" buildings or "having goals or clients" but never telling the entrepreneurial community "what was going on". *This may all be due to "not having a front door" or central line of*

[21] **Imagine Tallahassee and Blueprint 2020** (through the Leon County Sales Tax Committee) has tentatively set aside up to 12% of the future infrastructure sales tax revenues (currently the Blueprint 2000 tax) for economic development. One of the potentially funded projects through this effort would be the business incubator project. In 2019, it is projected to be $90 Million over 20 years.

communication to the entrepreneurial community, and happens in many communities where there are multiple assistance organizations.

LPA Findings: Innovation Park will need to proactively address the entrepreneurial community's needs/gaps with innovative programs and services before considering the opening of an incubator facility, and be "transparent" to government and the entrepreneurial community in all actions.

LPA Suggested Actions: **Innovation Park should determine a staged implementation of its entrepreneurship strategy. When Innovation Park builds a physical incubation facility, a less risky strategy for Innovation Park should be to start with a co-working facility that combines wet laboratories with engineering/designer space and light manufacturing-type space (and offices), to support realization of the action/doing aspects of multiple types of high-growth businesses (also, one specific program might be a seed accelerator) with a program like the SBDC that fosters community ownership and buy-in with on-site coaching, managerial coaching assistance, and product development to any interested and motivated entrepreneurs through applied learning projects. *This will help to gauge the level of interest in each area and level of "deal flow" first.* After perhaps 18-24 months, it may make sense to evolve the facility "as needed" in the form of larger business incubation space "per component type" of the total incubation program. This can easily be accomplished by putting in "some wet laboratories/some dry laboratories" with rough-in plumbing in the "dry laboratory" areas and light manufacturing areas (for future expansion, if necessary). It is essential to involve careful design planning in each phase of this development process.**

Metrics for Success 1 2 3

"Our community has a big problem with planning and not doing." "When we do things, we don't track what we do very well." Interviewee comments.

While number of jobs created and number of successful graduates were mentioned numerous times by interviewees, there was an overwhelming feeling that helping anyone who needed help was better/superior to only focusing on higher quality, higher paying jobs that are generally only seen or created in high tech space**.** There were some respondents who believed the focus should be high tech jobs versus the community as a whole. There was generally a lack of understanding on how best to establish success criteria for the effort beyond providing comprehensive business assistance to any and all motivated entrepreneurs who needed coaching, mentorship, access to capital, and access to expertise. Stakeholder interviews recognized the need for establishment of realistic, long-term benchmarks for success both for the incubator and for the clients.

LPA Findings: Innovation Park needs to determine how best to measure success so it can calibrate the expectations of the incubator and the community. In addition, Innovation Park needs to make sure what resources it can allocate to this effort (people, money, services.)

LPA Suggested Actions: The stakeholders (working group) needs to determine stakeholder/donor metrics for success. Most incubators measure client performance in a number of critical areas: (a) Performance indicators: Initially, these metrics include survivability, retention, and growth (growth rates in people, revenue, & capital). (b) Secondary measures of growth in #/$ of employment, payroll, revenue, capital, # of patents applied, # of patents licensed to start-up ventures, $ of licensing revenues, # of products launched, and even # of companies "in the pipeline" for the incubator program.

Typical metrics for incubator evaluation may include (keep in mind metrics also depend on funding sources):

Shorter-term Metrics

- Occupancy Rate %
- Business Survivability Rate %
- Business Retention Rate %
- Growth rate of client metrics: Capital, payroll, revenue, FTE
- # of new products launched
- # of patents issued or applied
- # of student entrepreneurs or internships

- # of businesses helped with service/average # of hours of coaching/assistance provided
- # of new business ventures started
- # of lifestyle businesses that become growth businesses

Longer Term Metrics

- # of jobs generated (Full-Time Jobs)
- # of companies graduated over a specific time period
- # of actively served clients (residents plus affiliates)
- # of total clients served (applicants to the program)
- Total payroll dollars of all clients served
- Total investment in the Incubator Project (grants, gifts, sponsorships, in-kind donations, etc.)
- Total investments made in client companies (grants & capital)
- Total revenue of clients served
- Average per capita county (or region) wage levels compared to average wage levels of clients of the Incubator
- # of university patents resulting in start-up companies formed
- Licensing income (year over year change/growth)

Please also reference Meredith Erlewine, **NBIA's Measuring Your Business Incubator's Economic Impact: A Toolkit**, © 2007 for key operating methodologies for metrics and outcomes tracking.

See:https://netforum.avectra.com/eweb/shopping/shopping.aspx?site=nbia&prd_key=561ef0e3-2835-4fb2-a46e-441ad9ddb07e

Access to Capital[22] 1 2 3

"We don't invest here – we do have an Angel community, but we just don't invest." Interviewee comment

A significant barrier to the establishment of start-up companies is the initial capitalization required for business launch. It is frequently cited that 85% of a business' failure can be attributed to under-capitalization. The GEM Study[23] indicates it takes nearly $60,000-$90,000 on average to launch a business venture (unless it is a regulatory or research-intensive product/venture or a manufacturing business in which cases the amounts are exponentially higher). It was frequently cited that "Tallahassee doesn't have old money like South Florida, nor does Tallahassee have any Fortune 500 HQ's like Orlando or Atlanta."

Gainesville, Florida, has established its own syndicate angel group, and of course there is the Florida Capital Technology Seed Fund statewide (however, it seems to target specific high tech sector focus areas). There is also Enterprise Florida Capital Program; the Florida Business Development Corporation; Florida Angel Nexus and the Florida High Tech Corridor Council (although it is not known if any of these operate in Leon County).

Nationally, yield rates (the % of companies seeking capital who actually obtain capital) are approximately 18-21% making it difficult and highly competitive for entrepreneurs to access capital. The University of Florida, through its Foundation, has had some experience in appropriating money to support launch of student ventures (in Gainesville). Innovation Park could investigate appropriating funding in a Seed Fund for investment in faculty-driven commercialization activities and potentially in start-up companies licensing faculty technology (potentially as a co-investor with either a private venture firm, the University, and/or others.)

There were mixed reviews on the Enterprise Florida Capital Program. Several interviewees commented that they don't take it seriously enough in regards to deals outside of Tallahassee, and there is no sense of urgency to deliver services locally to the entrepreneur. In addition, Enterprise Florida is criticized for taking too much ownership stake for the amount of their investment. Also, some interviewees felt Enterprise Florida was only interested in a massive high-technology enterprise, the next electric car or other super high-tech invention, and thus Enterprise Florida would not look at many things brought to their attention. Other interviewees responded that bigger banks now own the local banks, and all the local decision makers are gone. When

[22] The Florida Institute offers several seed capital access programs for University-based IP commercialization.

[23] The source is **The 2009/12 Global Entrepreneurship Monitor Study** escalated to current year dollars and the Global Accleration Network member dataset for accelerated companies.

asked to identify local angel groups or other funding sources, many interviewees were at a loss to identify anyone.

LPA Findings: There is some concern for the identification of adequate sources of capital to support early stage businesses. While there are sources for technology or innovative products/services, there is an inadequate level of capital access for more mixed-use type incubator clients requiring them to be more self-funded and better capitalized to have any chance at start-up success. The greater Leon County community needs to consider its capital access gaps and develop innovative programs to address this significant entrepreneurial need. This is a "gap" in the entrepreneurial "success chain". All knowledgeable interviewees stated if an entrepreneur/venture was pursuing investment capital greater than $500,000[24] they would need to go outside Tallahassee (unless well- known inside Tallahassee).

LPA Suggested Actions: Per discussions with individuals from the Jim Moran Institute, a seed fund has been established to fund student startup efforts, but it is not known if there is a seed fund for faculty efforts. The FSU Research Office has established the GAP fund ($250,000 per year for 4 years) to fund promising faculty research). In addition, the LCRDA has funded some 5 different companies over the past 4 years with 6 grants (per Steve Evans' presentation). There is also a strong possibility that FSU may find additional investments for some projects by their faculty, according to Dr. Ostrander. Innovation Park should also consider, for the longer term, preparing a park-based seed fund, in concert with the FSU Foundation, by developing a working paper discussion document for the Innovation Park Board consideration to financially support and incentive higher levels of student and faculty entrepreneurship and innovation. The way to start a wave of support for community angel groups and other investment concepts is to develop a permanent seed fund of your own. LPA suggests an Innovation Park Incubator pre-seed investment fund that invests small amounts, perhaps up to $25,000 or so, in new, small start-ups (whether they are FSU/FAMU/TCC faculty or even from the community) with strict investment criteria. This will show "skin in the game" and that Innovation Park is serious about the program, and it will encourage others to follow and create additional groups/funds to support pre-seed investing.

This is a CRITICAL AREA; without funding, there is no entrepreneurial activity. The community must develop a continuum of capital from the inception of the idea through the growth and expansion of the business for both tech and non-tech businesses. Nascent and emerging businesses cannot get started in this community if they can't get the financial resources to get off the ground.

[24] GAN Accelerator members achieved $701,000 average funding per company.

Potential Deal Flow 1 2 3

"Our community has been focused on incrementalism. We don't recognize entrepreneurs. We are not thinking about entrepreneurial growth." Interviewee comment

"We've lost two biomedical companies to the Sid Martin Incubator in the last year – that's the UNIVERSITY OF FLORIDA! Don't you think SOMEONE at FSU should be concerned?" Interviewee comment

For purposes of assessing entrepreneurial demand/deal flow, the Greater Leon County custom region (the Innovation Park service area) has been defined in consultation with Innovation Park personnel as strictly the Tallahassee general area. The areas that *could* be included in a feasibility assessment might include: **Leon, Wakulla, Gadsden, Jefferson and Liberty (Note: Data for Liberty County was not available)** counties; however, typically, an incubator can only draw from a 30-50 mile radius of its main HQ location (if it is not in direct competition/conflict with other incubators/accelerators). The following data extractions are created using the online Edward Lowe Foundation youreconomy.org tools. ***

Greater Innovation Park Entrepreneurial Reach - Custom Region

County	2012 Establishments	2012 # of Jobs	Jobs/ Co	2002 Establishments	2002 # of Jobs	Jobs/ Co
Leon	29,200	270,500	9.2	17,500	194,200	11.1
Wakulla	2,800	11,100	4.0	1,300	6,700	5.2
Gadsden	3,300	24,300	7.4	1,900	17,900	9.4
Jefferson	1,400	6,600	4.7	798	4,500	5.6
Total (excluding Liberty)	**36,700**	**312,500**	**6.3**	**21,498**	**223,300**	**7.8**
FLORIDA	**2,423,282**	**12,840,991**	**5.3**	**1,261,980**	**9,830,121**	**7.8**
US	**25,119,962**	**182,889,101**	**6.9**	**17,270,313**	**169,814,952**	**9.8**

Comments:

- Average jobs per establishments for the area declined from 7.8 jobs to 6.3 jobs (a 19% decline). This decline per job was most severe in Gadsden county with a drop from 9.4 jobs per establishment to 7.4 jobs per establishment (a 21% decline)
- There was also across the board business establishment increases in the composite region. Overall the Greater NW Florida composite region (excluding Liberty) was up nearly 89,200 establishments but the # of jobs/co actually decreased by 1.5%.

- Leon County represented 87% of the total business establishments in the composite region in 2012 and 90% in 2000, followed by Gadsden and Wakulla and Jefferson County.

LPA Comments:

- Some of the growth in establishments was in the increased self-employment as % of the total establishments and represents over 1 out of every 3 establishments in the region. This supports strong early entrepreneurial engagement for some focus on lifestyle businesses and providing infrastructure support through a co-working facility or drop-in facility, such as DOMI Station, in town.

- The composite region declined in its stage 2 companies indicating some need to focus on economic gardening to help grow and retain these businesses in the region. There have been a "few" biomedical/biotech companies that have indeed left the area (due to lack of wet lab space) over the past year or two, but not a staggering amount; however, this does indicate some demand for that space. The next question will be the demand for "growth" space, as these biomedical/biotech companies began to get larger and look for quarters outside of incubation-type labs.

- The real "attraction" for Innovation Park will not come from the area counties (which is obvious), but from the Intellectual Property (IP) generated at the universities and from spinout possibilities generated at surrounding companies, and also from the Centers of Excellence like the MagLab.

- There are several good projects on the horizon at Innovation Park, including Bing Energy and other research areas at the MagLab. Discussions with Dr. Eric Palm at the MagLab were very encouraging regarding future areas of research and discovery at the MagLab. It should be noted that none of these are existent companies at the moment, and it is the job of the incubator to work with established start-ups, not to work with researchers. That will be an important distinction as the incubator forms and sets up policies, entrance requirements, and procedures. While all of these have potential, it will take time to cultivate these opportunities and determine which ones will be feasible as new companies. Typically, the rate of success for turning ideas into businesses is less than 10-20%. Therefore, again this raises the issue of the "pipeline" and that must be considered when developing the incubator, determining the size of the facility, etc. It is certainly encouraging to have the potential for new companies but one should operate with caution and insure there are actually "real

companies" that result from these concepts before developing an incubation program based on the number of "ideas" in the area.

- When evaluating number of jobs by growth stage, Leon County had a priority emphasis on creating, development, and growth of stage 1 businesses and it is indicative in the substantial growth rate in employment during the period 2002-2012. However, these are primarily "lifestyle" businesses, and not "growth" businesses, as indicated by lack of growth and overall decrease in stage 2/stage 3 businesses, plus the total number of employees per business. This MAY INDICATE either a lack of substantial "growth ideas" for new businesses or it may indicate the need for a co-working space/business incubation facility, if enough new ideas/concepts are found for new "growth business" formation. A business incubator could be a strong catalyst in bringing innovative ideas/concepts to fruition.

FSU and the community have untaken or are willing to undertake several actions that help connect potential Founders, investors, and researchers together. Some examples to spur deal flow and also to get a first look at promising technologies and innovative ideas including:

- **FSU's Sneak Peak Event**

(http://news.fsu.edu/More-FSU-News/24-7-News-Archive/2013/November/Sneak-Peek-showcases-Florida-State-research-projects-inventions). The Sneak Peek is an event to showcase business and technology initiatives arising from FSU research. However, in an interview, it was noted that no licenses have directly resulted from Sneak Peak. (http://www.famu.edu/index.cfm?a=headlines&p=display&news=2885). FAMU has hosted a similar iShow event. FSU and FAMU have agreed to combine their two events this year, which is further evidence of increased collaboration

- **Mobile Wet Labs Space for Proof of Demand**

"From the FSU disclosures, we only see 2-3 a year that will require space." After FSU's investigation of the client needs, it appeared that even with complaints about lack of availability, most entrepreneurs were in need of funding or contracts before committing to the space. To FSU's credit, the University was looking at leasing 1,100 sq feet mobile wet labs (Rapid Lab). FSU recognizes the need to subsidize the space, but ventures will be expected to pay a portion of the expenses. LPA recommends FSU obtain written lease commitments prior to obligating itself to this additional obligation. Internal projections in five years are the high water mark on clients needing web labs space will approximate 5-6 per year. LPA also advises that the average size of a wet lab today is a

fraction of the space required five or 10 years ago (200-400 square feet) plus flexible office space, plus access to a common equipment room.

- **An attitude of "CEOs don't have to live here."**

This attitude may be a potential area of concern as the economic development benefits of a business incubator or seed accelerator will go to the "headquarters location" of the venture. The community will need to ensure quality of place (attractiveness, amenities, entrepreneurial culture) can improve the attractiveness and relocation of potential talent to the Greater Tallahassee area. There was a sense from many of the entrepreneurial founders that they believed they could virtually run their business for a while. This attitude, if pervasive, would certainly negatively affect the potential economic impact of the incubation/acceleration program.

- **FSU's I6 grant applications have not been successfully funded by the Federal Government**

FSU has made several attempts at obtaining Federal i6 challenge grants (http://www.eda.gov/oie/ris/i6/) to "support, encourage and reward innovative, ground-breaking ideas that greatly expand innovation, commercialization and new enterprise formation across the United States. The 2012 i6 Challenge awarded applicants submitting the best strategies to create Proof of Concept Centers that greatly increase innovation within their organizations, create processes to commercialize or implement innovation, and build networks that can utilize that innovation and entrepreneurship for local economic development." As part of the community effort, support to FSU in changing and transforming its culture with faculty regarding entrepreneurship will be important. A pre-i6 challenge type program may be appropriate to enhancing potential deal flow pipeline to the new business incubation program.

- **An anchor tenant/client would be appropriate for stabilizing the occupancy of a facility.**

LCRDA would encourage one or more anchor tenants/clients to participate, wherever relevant, with the business incubation clients in an advisory and educational capacity. Anchor clients could provide valuable input to the incubator clients by serving on scientific advisory board and providing consulting or professional services. Graduate and post-doctoral students could benefit from close contact with anchor clients, providing a pathway to possible employment after graduation. The "anchor client" concept provides high value to prospective anchor clients, client residents, and students and faculty. Anchor clients should be selected based on compatibility, ability to pay market rent or above, potential synergies, and overall benefit to the ecosystem. Typical leases for anchors range from 5+ years or longer depending on leasehold

improvements.[25] Anchor clients-businesses that are located within an incubator facility but do not receive business assistance services - provide many incubation programs with a stable source of supplemental revenue and a good base of experienced mentors and business service providers for their clients.

The principal reasons anchor clients might affiliate with LCRDA include, but are not limited to:

- Successful local entrepreneur wants to "pay it forward" to help future local entrepreneurs be successful;
- Mature company wants to serve as a magnet for attracting supply chain companies or suppliers who can meet critical procurement or R&D needs of the firm;
- Larger company wants to be in the hub of innovation and entrepreneurship in order to attract and recruit knowledge workers, focus on internal corporate R&D and/or launch product development programs; and/or
- Emerging growth or established larger companies who want to collaborate and leverage technologies from the FSU Centers of Excellence.

The checklist for anchor client evaluation[26] should include (the greater the # of evaluation criteria met by a potential anchor, the more attractive and ideal the anchor is for the program):

- Provide business for other incubator clients or are willing to source revenue projects to incubator companies
- Willingness to mentor emerging growth companies
- Compatibility with the ecosystem developing in the incubator*
- Serve as a role model for incubator companies to aspire to become
- Provide a complementary service to incubator client
- Ability to pay at or above market rent*
- Act as a magnet to attract entrepreneurs and their ventures to the incubator
- Willingness to be a champion for the incubator in the community
- In smaller incubators (<30,000 sq. ft., anchor clients should not exceed 20%-25% of the net leasable space; in larger incubators, >30,000 anchor clients should not exceed 25%-30% of the net leasable space.)

***Non-negotiable, these criteria should be met by prospective anchors.**

[25] About 67% of incubator respondents indicated they had anchor clients. The latter occupy on average 10,479 sq ft with the median of 5,000. On average, there are three anchor clients per incubator, the median is two.

[26] An anchor client is defined by Jim Greenwood in his NBIA May 7, 2012 presentation The Good, The Bad & The Ugly as, **"An organization occupying space in a business incubator, over an extended period of time, that does not need incubating services."**

As noted in the NBIA best practice research, “If the incubator needs additional revenues to be sustainable, a portion of the facility’s square footage could be designated for “anchor client” space – space provided to mature companies with no promise of business development assistance. In some cases, even anchor clients are expected to bring value to the incubator, although in others their only contribution is a stable revenue stream.”[27]

LPA recommends that LCRDA apply the criteria to find potential anchor tenants/clients who provide both a stable revenue stream and who also add value to the incubator ecosystem and the clients. The FSU Centers of Excellence are an excellent source of potential spin-off work that could be done as part of an anchor tenant/client strategy. In addition, global companies might be attracted to locate as an anchor as part of their strategy of working directly with the local universities on innovation-driven and commercializable projects.

- **FSU’s commitment to entrepreneurial thinking and mindset by attaching EIR’s in each major school**

While it is not clear to LPA that there are tangible and straightforward metrics for evaluating the efficacy of the Entrepreneurs in Residence in the various academic programs within FSU, the fact that the university has committed to creating such a program and having the EIRs work for the University Provost does allow it be more interdisciplinary in its activities (building industry relationships, enhancing tech commercialization, and promoting interdisciplinary research.) The business incubation program needs to leverage these embedded resources in each of the major schools within the university. This might take the form of a special advisory group or a special type of service provider network that easily “boundary bust” to connect entrepreneurs with the assets and strengths of the university.

[27] http://www.nbia.org/resource_library/peer/benchmark/resource_library/incubator_finances.php

Regionalism and Community Outreach 1 2 3

"I would rather see the incubator within my immediate area; I fear I would lose the company and idea and never get it back." Interviewee Comment

While regionalism is an aspirational goal for most communities across the United States, the reality is, as Tip O'Neill penned in the title of his provocative book, "All politics is local."

There was significant reservation on the part of outlying communities outside of Leon County/Tallahassee proper (downtown) to refer potential clients for service. There was a fear these clients would be "lost" from their downtown area and may never return once they graduate or relocate from the incubator service area.

While the county to county, or city to city, or urban/suburban economic development organizations appear cordial and cooperative (using DOMI Station as an example, to discuss issues, communicate, and receive training), there is no doubt each service area is sovereign and success is judged by what they recruit, attract, and develop within their service area.

While incubators typically can draw potential clients from up to 40-50 miles, there was a belief that 10 to 15-mile geography may be the maximum draw area for the incubator under consideration. Given the high prices of gasoline and the high unemployment levels, many potential small business owners and entrepreneurs may be reluctant to drive daily to Innovation Park for incubation services. If Innovation Park were to move forward with an incubator initiative, it may be prudent to consider some sort of Shuttle Bus service or other transportation mode from some of these outlying areas (i.e. the universities, in particular).

Innovation Park's physical location was frequently brought up as a "disadvantage to incubation" in reference to encouraging faculty to use the facility. Also, some interviewees identified DOMI Station as a potential competitor rather than a cooperative effort (which it is – DOMI is NOT a wet laboratory incubator).

Another concern expressed widely was the need to ensure Tallahassee Community College would be involved and engaged in the project. Their strong reputation, easy access, manufacturing focus, and newly launching entrepreneurial programs would make them an ideal referral partner. Many interviewees expressed how difficult it is dealing with any university.

Interviewees mentioned problems with unresponsiveness to requests, the turnover of people, the inability to understand how to access the university's "front door," and not

understanding the available resources, expertise, and talent within the university. (NOTE: This is a frequent complaint at ANY University – not singling out FSU, FAMU or Tallahassee Community College).

Several people suggested listing the assets, expertise, and research interests of the faculty on the web site or in an annual report to the community, or setting up one individual as a primary point of contact/entry into the University – an "Innovation Park-Community Liaison".

Many interviewees recommended that LCRDA be the vehicle by which communications about the leads/referrals would be vetted and routed to appropriate entrepreneurial support organizations. LCRDA/Innovation Park would serve as a mechanism for communication about company progress while in the incubator, and the Innovation Park Director would proactively identify geographic locations for incubator graduates to locate in when they leave the incubation facility (preferably within Innovation Park), if it were built. In addition, the Director should also be a resource for identification of advisory board membership from the adjacent service areas/partners.

Appendix 8 depicts the Entrepreneurial & Innovation Landscape of Tallahassee and Leon County as constructed by local community leaders in January, 2015. LPA applauds the efforts of community leaders to engage in storytelling and aggregating the impact and effectiveness of the various assets making a difference in entrepreneurship and innovation. Some of the selected community accomplishments included, but are not limited to:

- **Chamber EDC** – Over 100 businesses have graduated from the EEP program; 42 grads still in business (responsible for 93 jobs)
- **Enterprise Zone** – 540 jobs created and over $5Million of state incentives approved;
- **LCRDA** - $90,000 in grants to 5 different companies; 36 organizations in the Innovation Park
- **CareerSource** - 31 new ventures supported
- **FSU** – 167 licenses signed, $230 Million in sponsored research; $400,000 in gap grant funds; 34 student incubator businesses, 13 start-ups over 13 years, 109 patents granted (2012-2014)
- **FAMU**- 10 start-ups launched (2013); 287 entrepreneurs/small business owners coached
- **DOMI**- 38 companies; 80% from FSU/FAMU; 13 mentors; $450K in capital investment for 3 companies
- **City**—Incentives program policy; sales tax support for economic development
- **County**—Investment in DOMI; sales tax support for economic development

Physical Infrastructure 1 2 3

"An actual physical incubator would be more desirable in Leon County as it really shows the commitment of the community to entrepreneurs." Interviewee comment

Physical infrastructure is an essential ingredient in a business incubator ecosystem, especially if the program has strong outcome measures in job creation and commercialization activities. It appears that Leon County offers many of the amenities important to an entrepreneur and the growth of an entrepreneurial community.

There appears to be an abundance of real estate square footage available both downtown and in the city limits; however, there are excellent potential suitable sites for the location of the business incubator *right on the Innovation Park property*. There are 17 buildings currently in the park, and the Director has already selected a location on which to build the incubator. Also, Innovation Park is in the process of identify funds that will substantially support the efforts over the long term. This is a solid commitment by LCRDA and the universities; this represents a real step forward in moving this project ahead. This receives a top ranking for this category.

Regarding obtaining clients, there appears to be significant cost pressures on getting aspiring entrepreneurs/local business owners into office space outside their home. Prices might have to be in the range of $200 [28]for the smaller non-lab 1-2 person office (this is considered low and subvened for purposes of supporting the entrepreneur) for an individual office space (space platform should be 100-144 square ft, 200-300 square ft, and 400-600 square foot spaces or pods) including access to services.

Under this pricing scenario, it would be better if Innovation Park could fully furnish the space in a turnkey fashion to reduce the market entry risk for struggling, under-capitalized entrepreneurs. This may have significant adverse impact if Innovation Park has to charge anything above an average market lease rate for the space for office, light manufacturing and wet laboratory space.

From the site reviews, the physical incubator success criteria evaluation for the most attractive and viable physical space is definitely the Innovation Park property site. The physical site will be rated on the three-point scale (Outstanding, Good, and/or Poor). This appears to be the highest-rated area in the study, as Innovation Park has significant property in a very good location in the area; renovating space downtown or

[28] Program fees may be constrained by excess space in the local market and in the Innovation Park. Current, rates in the Park could provide 900 square feet fro $350-400/month. Local market class C space is $14.50/sq ft.

obtaining other space would present a high overhead situation and could be cost-prohibitive.

Physical Incubator Space Success Criteria - Summary

Elements	Assessment	Rating
Broadband access	Space appears highly wired since Innovation Park already has 17 buildings in the area.	**Outstanding**
Facility Size	Although a size was not mentioned in the original project narrative, there is plenty of space available to build any size of building; car0 should be taken to build according to NBIA/National Standards (range of 20,000-32,000 square feet plus) to accord a "break-even" space size for rent/program fees	**Outstanding**
Open spaces	Space is highly open allowing for good community building and flexibility with excellent room for expansion; campus operations are quality and obviously available to take care of the space; space is highly suitable both for various types of facilities. In addition, there is adequate expansion space for the incubation/entrepreneurship program and addition of other amenities.	**Outstanding**
Visibility	Location is along a reasonable street access somewhat visible to automobiles during the day. Location off campus makes it available for community people to get to location, although location is somewhat "out of the way." While signage will not be as prominent as a downtown location, it is a reasonable site in terms of visibility, if proper signage is constructed throughout the area. Location is a reasonable drive off the main roads, but on smaller roads that can pose logistical problems and recruitment problems.	**Good/Fair**
Access	There should be available free parking and easy walking distance for the clients. There appears to be adequate but not ample parking behind the current buildings. Parking should be easily accessible, free, and well lit. Parking metric should be a minimum of 3 spaces per 1,000 sq ft. of facility.	**Excellent**
Lease Term/Rate	IP will have to lease the space at below/near market rates but has no current plans for the facility. A plan will be developed by LPA should IP determine to move ahead with the facility. Establishing wet laboratory for incubation on one of the two floors and having manufacturing/engineering incubation on the second as the concept and operations grows and expands may be a more prudent market entry strategy. Community market lease rates are low. Wet lab space in the new science complex will diminish some faculty demand for wet lab space.	**Good/Excellent**
Faculty in Residence	With the building being off-campus, it may pose some difficulty for faculty engagement/involvement in supporting the incubator clients given its access location. The faculty at FSU/FAMU is excellent, and this incubation project as a community effort affords more opportunity for highly recognized faculty to be involved as well. There is no question the presence of both faculties, plus the additional opportunity to work with TCC, the EDC, DOMI Station and the considerable knowledge base of the MagLab and companies in the area, presents a great opportunity.	**Outstanding**
Access to Service Providers/ Expertise	Location presents some difficulty in getting FSU/FAMU faculty, other faculty, or key service providers (attorneys, CPAs, successful business leaders) in the area to support, coach, and mentor the incubator clients. Also, the lack of proximity to major thoroughfares and access to shipping could prove an issue for prospective clients	**Fair to Good** **(Downtown may be more desirable for service Providers)**
Strong Incubator Management	The significant gap of no identified permanent manager is of concern. While Ron Miller is certainly a "champion", and internally and externally there are several individuals who support the project, an external candidate will need to be identified to manage the program and brought in to Innovation Park; Ron Miller has assured LPA a champion is available and will be appointed.	**Good**
Program Synergies	The FSU/FAMU TTO offices and an office of the FSU School of Business should be co-located to the physical incubator facility to increase the collaboration, partnerships, and industry centricity and ease of access. In addition, the incubator manager must be physically domiciled in the incubator for optimum alignment & adherence to best practices. Also the access to FSU/FAMU TTO and Patent	**Outstanding**

Elements	Assessment	Rating
	resources will be huge assets.	

Community Entrepreneurial Culture/Spirit 1 **2** 3

"Not a lot of entrepreneurial activity in our community, particularly serial entrepreneurs." Interviewee comment

The leader of the Start-up America partnership (now UP Global), Scott Case, explained, "Entrepreneurs learn more falling down stairs than up." Many of the interviewees believed having an incubator is analogous to the FSU football team having a football stadium to practice in to get excellent at football. While the primary purpose of Innovation Park is to increase research excellence and commercialization, it also provides outstanding services and fuels the entrepreneurial spirit and locally, and it indirectly assists local small businesses to develop and enhance their marketability through applied entrepreneurial thinking and discovery.

It was surprising to hear so many of the interviewees express concern about the lack of an entrepreneurial spirit in Leon County and surrounding areas. Many were actually apologetic for the skill gaps in the labor force, and the lack of excitement for the "simple mom & pop shops." There were many contradictory comments about the level of serial entrepreneurs, the adequacy of angel capital, and the educational strength of the labor force in meeting future technology demands in manufacturing, high tech, and other industries requiring knowledge workers. However, there were a few others who felt the area had unlimited untapped potential and outstanding possibilities, given the right resources, to tap into biomedical, energy, engineering, and other areas to create new companies and new products, and an incubator would jump start those companies, with the right resources and management. Therefore, this rating reflects the mixed view of the group. Many gave this a dismal rating, and felt there was essentially no entrepreneurial energy/potential in the area. Others gave it high marks and felt there was unlimited potential in the area that was simply untapped and untrained, and that an incubator facility would bring it out into the open. It might help if they were informed about the current trends in the entrepreneurial ecosystem, and also about the proposal to build a business incubator. As these relationships develop, perceptions about the potential in the area should change over time.

Entrepreneurs characterized gaps in the local community as follows: access to key decision makers for assessing their innovative product; building and prototyping their product, and affordable access to technical and/or domain expertise. In addition, entrepreneurs need more awareness of state grants, need to keep burn rate and costs low, and need to better understand exit scenarios. **A frequent frustration of local entrepreneurs — Tallahassee isn't organized to deliver quality and cost effective services to start-up life sciences/biosciences entrepreneurs and their ventures.**

Service Providers/Local Expertise/Mentors 1 **2** 3

"I'm not sure our service providers are really engaged in the entrepreneurial community here." Interviewee comment

There appear to be adequate local supporters of entrepreneurism and community professionals in the local community – the question is who would be willing to mentor, train, and work with emerging entrepreneurs on a no/low fee basis. One significant gap for the area is the lack of a large number of intellectual property attorneys – a critical situation. For these specialized services, an entrepreneur has to go out of town – or even out of state. The FSU College of Business has created several programs and introduced new programs in their curricula through the entrepreneurship program at the Jim Moran Institute. The next step would be to connect students in applied learning opportunities to write business plans or to work with companies to the region on innovative products/services. SCORE has expressed a willingness to provide services in the incubator location as well. There is a high level of trust with them due to the prior working relationships that existed. The in Leon County is also recognized as competent but some observed that the SBDC "was trying to be everything to everyone." Several entrepreneurs are or have used the fee for service capabilities of the Florida Institute (commercialization of public research) http://www.florida-institute.com for business plan assistance (cost for a business plan approximates $5,000 to $7,000 and support for a knowledgeable and successful entrepreneur who took a company public.) Grow FL is also an additional resource for second stage economic gardening ventures who need targeted marketing research for accessing potential vertical markets, for product development support, expansion capital, and exporting support.

Funding Sources/Financial Sustainability 1 **2** 3

According to the 2012 NBIA SOI, two principle sources of revenue for incubators are cash operating subsidies (18%) and service contracts/grants (23%). only 18% of survey respondents said they would have to cease operations, if they lost their cash operating subsidies. (However, only 39% of all respondents indicated their program is financially sustainable.)

While a detailed capital campaign/fundraising feasibility study with potential donors was outside the scope of this engagement, LPA was encouraged by preliminary discussions with several groups of potential stakeholder's who might support such a bold community outreach initiative. The Innovation Park Director strongly indicated there is potential financial support in the area for such an important initiative. While the County and City are unclear on a mechanism for such financial support, they appear willing to identify resources/programs they can use to provide financial incentives for the location of the incubator in Innovation Park. The Park Director felt comfortable that through funds directed toward annual facilities support, there could be annualized support earmarked

for programs/operating sustainability through LCRDA and other sources. FSU, FAMU and TCC, and others, could contribute financial and in-kind resources through their resources with students, internships, and through faculty at the College of Business. While there was no direct commitment from the FSU College of Business, there was significant enthusiasm for expanding the entrepreneurial initiatives and outreach from the individuals who were interviewed for this project. **While it isn't clear that there were firmly established benchmarks or metrics, some of the operating funding support for Domi Station is committed, for at least for the first three years, by the FSU Office of Research**.

It will be important to show the value proposition of the incubator to the universities and to university administrations. The mixed rating in this section is given as the incubator program itself may to have adequate funding.

In addition, given the anticipated deal flow and the implicit size of a facility resulting from the deal flow, it is highly unlikely that an incubation program could be self-sustainable without continual annual subsidy, an unrelated anchor company, or university department and outside sponsorships/donations. This is significant to understand – **any incubator in Leon County will require a significant, long-term subsidy to continue operations.**

See the following table for key metrics in evaluating sustainability outcomes of mixed-use facilities.

2012 NBIA SOI Mixed-use Business Incubation Programs

Criteria	Average	Median
Year began accepting clients	2000	2002
Incubator Revenue	$480,790	$180,000
Incubator Expenses	$438,563	$239,450
Incubator Surplus/Deficit	$42,227	($59,450)
Gross Square Footage	31,194	---
% Space Leased (Occupancy Rate)	74.0%	80.0%
Resident Clients	35	16
Affiliate Clients	24	7
Anchor Clients/Tenants	4	2

The table above implies that many mixed use business incubators under 32,000 square feet will require ongoing operating subsidies or fee-for-service contracts to have a reasonable chance of sustaining themselves (given the median results which may be more representative of programs in the United States).

2012 NBIA SOI University Sponsored Programs Vs. All Program

Sources of Funds

Criteria	University-Sponsored[29]	All Reporting Incubators
Rent and/or Client Service Fees	59%	53%
Service Contracts/Grants	14%	18%
Cash Operating Subsidies	**24%**	23%
Other	3%	7%
Total Revenue	100%	100%

As you can readily see in the above table, university-sponsored incubators required higher reliance on rent and client service fees than the overall average of all reporting incubators.

In the NBIA SOI, university program respondents answered the following question, "If you lost your ongoing cash subsidies, what level of service could your incubator maintain?"* This is analogous to shock testing US Government regulators require of banks to ensure they can withstand major changes and ramp-up in interest rates, declines in housing values, higher inflation rates, or higher levels of unemployment. Only approximately one in four university-sponsored incubators could withstand a loss of major funding source without having to alter their programs and services.

	University Sponsored	All Reporting Incubators
Yes, at current Levels	27%	14%
Yes, at a minimal Level	23%	35%
No, service would be discontinued	36%	18%
Receives no cash operating Subsidy	14%	33%
Total	100%	100%

***Please Note: On plans for incubator self-sustainability, 39% of respondents indicated their program is financially sustainable; 47% indicate there program is not self-sustainable but they have a plan in place; and 14% indicated their program is not self-sustainable and no plan is in place to try to reach self-sustainability.**

Hybrid Options

[29] This is a custom extraction from NBIA SOI performed and reported to LPA via email for this report. University-sponsored programs responding were 30 programs. The "N" for all reporting incubators was 115 programs.

Each of the following options creates a certain risk and investment profile, and there is a series/continuum of options for Innovation Park to pursue as it advances and expands its engaged university mission and outreach in the community:

LPA Entrepreneurial Ecosystem Continuum

Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Do Nothing	**Student Incubator**	**Coworking And/or Seed Accelerator**	**Virtual incubator**	**Proof of Concept Center** **Commercialization Center**	**Physical Incubator** **Economic Gardening**

Option 1 is self-explanatory. Innovation Park would continue to operate as it is with its primary mission of research and community service.

Option 2 is to create a physical space for passionate students, and interdisciplinary learning, to start and grow their own venture while they are going to college. This option gives the student learning a destination. This could be accomplished through a residential learning community (as is being done in a variety of areas on several college campuses) or a hybrid immersive program that combines some aspects of a unique living-learning environment with a visible community engagement strategy. **See the Best Practices Case Study in Appendix 1 for greater detail.**

Option 3 is to advance the creation of an entrepreneurial community, a hub, and an ecosystem to better identify the entrepreneurial opportunities for the area. This option would give emerging entrepreneurs, business owners, and creative types/free lancers/road warriors a low cost option for getting out of their dorm room, garage, Starbucks/Panera Bread/Bob Evans, or their basement. Formation of a seed accelerator, often called a fast test program, would fit nicely in the College of Business' toolbox for student learning. Seed accelerators are mentor-driven, fast start, early stage investment programs for high growth innovative companies. These models are primarily based on principles and best practices of TechStars, Y Combinator, SandBox, and others.

Option 4: This is an incubator without walls. This option allows a venture to garner the advice of an incubator without actually being located at the incubator site. This new model suits those entrepreneurs who need the advice an incubator offers but still want to maintain their own offices, warehouses, etc.

Option 5: This could be a two-part program. The first component could focus on an internal "Proof of Concept Center" where applied development technology concepts are vetted, tested and validated and either externally licensed or further developed in a Commercialization Center/Lab. After completion of the proof of concept work,

Innovation Park could create an internal Commercialization Center/Lab (from Lab/Bench to Market) and serve as a "one-stop shop" for faculty, staff, and other inventors and offer seed grants and other funding for testing concepts, developing prototypes or participating in joint technology development projects or priority research areas with external partners. This option would be modified to include seed acceleration/physical incubation space and support services.

Option 6: This is a physical business incubator (facility-based) that is inclusively defined as, "a set of comprehensive programs and a business support process set up by a sponsoring entity though an array of targeted resources/services/training including commercialization **and** business assistance." The intent is to help nascent, developing companies in the incubator have a better chance of survival and growth through the start-up phase.

Services, offered in a physical business incubator, may include but not limited to:

- **Office space & Office Shared Services:** sometimes at a reduced rate but in most good economic times at market rate, but also including receptionist, conference rooms, computers, office equipment, etc.
- **Entrepreneurial advice and mentoring**: Entrepreneur advisor services can range from establishing a web presence to identifying IP licensing opportunities to raising capital.
- **Business planning and market adjustment consulting/coaching:** Business plans are dynamic and constantly need to be adjusted to fit the market.
- **Contacts and Networking:** The biggest advantage of a business incubator is its access to experienced entrepreneurs, innovators and professionals that can answer inquiries, provide guidance, and assist clients/prospects in finding or accessing resources.
- **Access** to service providers/expertise, specialized equipment/facilities, capital access (grants, investments etc.)[30]

[30] A composite definition combined from two sources: http://blog.theentrepreneursadvisor.com/2011/07/business-incubators-business-accelerators/ and https://www.nbia.org/resource_library/what_is/index.php

LPA Recommendations

For the reasons and levels of readiness cited above and summarized on **page 60** in the critical success factors dimension matrix, LPA *does not recommend* Innovation Park move forward with a designated-use (sector specific), **single-purpose incubator** at this time; **however**, LPA ***does recommend*** **Innovation Park move forward with a combination effort of a seed accelerator program and multi-function, mixed use incubation program** (see entrepreneurial ecosystem continuum grid on **page 56**), in coordination with working with students/Universities. **This option will allow time for Innovation Park –**

(1) To gain internal commitment, ownership, and buy-in along with clarity regarding the goals in moving toward a permanent business incubation program that will cover all phases of incubation;

(2) To organize itself for formalizing its research and commercialization initiative by enhancing its discovery, licensing, and commercialization activities to build internal and external capacity;

(3) To begin a community outreach program to enhance communications, encourage access, and to assist the community in learning the assets and strengths of the university in order to build institutional reputation that could be leveraged in a community-based incubation program;

(4) To better solidify potential deal flow and demand in the total service area; and

(5) To have a complete coverage, full-scale incubation program for the Leon County service area that will be capable of housing the types of companies that are most likely to demand the types of space and services offered by the incubator in the years to come (i.e. wet laboratory, light manufacturing, engineering prototyping, physical sciences, and IT/office space).

SWOT ANALYSIS

Below is a SWOT analysis (based on interviews) on the potential for a business incubator in the Innovation Park community. The key attributes/characteristics addressing the community, the Universities (FSU/FAMU/TCC), LCRDA, and the potential for a business incubator are as follows:

GREATER LEON COUNTY COMMUNITY SWOT ANALYSIS

STRENGTHS

- Presence of FSU/FAMU/TCC
- Recognition and reputation
- Strong, cohesive city/county government (participation of County Government in support of the project)
- Existing FSU College of Business entrepreneurship programs
- Committed Potential partners (County, City, FSU/FAMU, Ec. Dev. Corp, etc.)
- Successful local business people and engaged local commitment of thought leaders in the area
- DOMI Station, SCORE, SBDC
- MagLab, existing corp. partners

WEAKNESSES

- No Direct University Campus access
- Lack of unified vision for the incubator within the institution/region
- No organized angel/funding network
- Area's culture of risk aversion
- Lack of commercialization expertise
- Outlying communities unwilling to refer
- Lack of incubation expertise
- Lack of IP legal assistance locally
- Lack of significant IP and/or new start-up deal flow
- Organized Venture Capital absent in the area
- Geographic Isolation

OPPORTUNITIES

- Site inventory and availability
- Applied learning opportunities for students
- Provides a strong catalyst for strengthening institutional reputation through federal research emphasis
- Creating a successful job creation model may differentiate Innovation Park in ongoing state funding requests
- Service providers want to assist
- Director/Administration is interested in big ideas and not tolerant of mediocrity
- Terrific faculty ready to work/help
- Asset base capable of teamwork/system
- Leveraging of National Laboratory/Center of Excellence

THREATS

- No clear mandate or vision for local economic engagement
- Limited capital funding specific for incubator use
- Location may be an issue (may need more evaluation)
- Lack of adequate deal flow
- Competing priorities for scarce resources (funding the strategic plan: many entities wanting economic development dollars)
- Reward system must be restructured to incentivize faculty for research/commercialization activities
- Incubation may be exciting for institutional reputation but may not be self-sustaining (require annual financial support-in-kind and cash)
- Lack of entrepreneurial "reputation" locally
- "Mom & Pop" mentality

Summary of LPA Incubator Success Dimensions

In summary, each of the dimensions and critical success factors cited in this report has been evaluated on a three-point rating scale. The scale scoring method is as follows:

- **1** is Strong Strength;
- **2** is Developing or Emerging Strength/Strength; and
- **3** is Needs Improvement/Significant Risk area

LPA Critical Success Factor Dimensions Matrix

Critical Success Factor	Rating	Commentary
Governance Structure	**2**	Partners need to be confirmed but there is a high level of interest and support for a community-oriented initiative
Type of Incubator	**1**	Alignment challenges of what the community wants and what it can really support programmatically and financially, but great potential
Sponsor's Readiness & Potential Partnerships	**1**	Sponsor is well-prepared; potential mismatch on resource leverage/utilization for short term
Close Ties to Stakeholder's (City, County, Region, University)	**1**	Excellent potential; outstanding engagement
Metrics for Success	**2**	Need clarity on success criteria. No universal consensus on how to measure success.
Access to Capital	**3**	Big concern
Deal Flow	**2**	Somewhat ameliorated in short term, bigger concern over long term
Regionalism & Community Outreach	**2**	Outlying County parochialism may not result in referrals to IP but there is the start to some regional collaboration LCRDA
Physical Infrastructure	**1**	Suitable site for facility & expansion
Community Entrepreneurial Spirit	**2**	People were apologetic for the lack of entrepreneurial spirit and enthusiasm. Community has poor self-image.
Service Providers/Local Expertise/Mentors	**2**	Faculty and community want and will support the effort. Some experts in community & faculty
Funding Sources/Financial Sustainability	**2**	Some level of financial resources are potentially available through Leon County, FSU, some donors, and interested locals
Overall Assessment on the Dimensions	**1-2**	Recommendation is to formalize the seed accelerator and mixed-use incubator component of the entrepreneurial ecosystem.

Appendix 1: Best Practices Case Study
Student Entrepreneurship/Incubator Opportunity

"Every business incubator should support a youth program…just get started and do something. An incubator can view young people as a pipeline of future clients." Source: NBIA Comprehensive Guide to Business Incubation (NBIA 2004)

While outside the scope of the feasibility study, LPA offers the following observations on student entrepreneurship/incubator opportunities[31]:

Through the Jim Moran Institute and the FSU College of Business, FSU has strong, cross-disciplinary student entrepreneurial educational programs drawing students from all majors throughout the university. Innovation Park should formalize its efforts with The FSU College of Business by leveraging and capitalizing this capability in the launch of a program for students at the incubator. There *will be* some students who have an interested in non-IT companies, and who will want to participate in biomedical/biotechnology/engineering companies. The student effort could anchor a co-working outreach program aimed at developing a better relationship with the general community and generating awareness of Innovation Park's capabilities as a community-based, entrepreneurial support provider. In addition, formalizing its efforts could more effectively engage entrepreneurs, create a more financially successful base in the future, and cause greater retention and graduation rates for students because their "learning is connected to a destination" – their own business *in Leon County!*

U.S. students' entrepreneurial energy[32] has been measured by The Gallup Group in cooperation with the Kauffman Foundation. In fact, when students in grades 5-12 are asked if they want to be their own boss, 77% said yes. When asked if the student plans to start their own business, 45% said yes yet only 4% were running their own business now. In all student segments (8-12 years old, 13-17 years old, and 18-24 years old), 39%-41% had interest levels in running their own business. Clearly, student entrepreneurs need both education (applied learning) and opportunity (real-world entrepreneurial experience). In fact, studies from 1989 to 2002 have shown that between 59%-67% of all Inc. 500 companies did not write a business plan. Steve Jobs, Bill Gates, Michael Dell, and Sam Walton have in common that **none** of them wrote business plans for their ventures. Yet the business plan has been foundational to many

[31] There is ample evidence for incorporation of student accelerators/incubators in the entrepreneurial ecosystem. Please see the Adkins, Dinah, NBIA Review article, **How Business Incubators have adapted Accelerator-like Services to Woo New Clients and Serve More Entrepreneurs**, © August 2011.

[32] Source: Gallup-Hope Index (May/June 2011) and Kauffman Foundation Study (2010)

entrepreneurship educational programs. This reality suggests that universities/colleges need to rethink their educational and experiential approach to entrepreneurship.

While there is potential interest in creating a unique residential learning community and experience for resident students centered on entrepreneurship within Innovation Park, such as the one created at Oregon State University[33], LPA believes the student incubator provides a compelling vehicle for Innovation Park to outreach and showcase to the community while making a meaningful contribution to the economic health and vitality of the Region. Therefore, while some of the learning experiences and conversations may occur in a residential learning community setting, it makes more sense to highlight and feature the student entrepreneurship as a main pillar of a community-based entrepreneurial development outreach effort at Innovation Park. In addition, the student program at the incubator could be enriched with a co-working facility and seed accelerator where students would interact with community entrepreneurs, service providers, capital sources, and partners/collaborators creating a more robust entrepreneurial hub in biomedicine/biotechnology/engineering.

LPA has evaluated CSFs for U.S. student entrepreneurship programs and believe there are at least four essential ingredients in a vibrant student incubator ecosystem. These CSFs would include:

- **Place-Based Community** *(start-up hub so students are not alone, can collaborate with others, and have meaningful networking/mentorship opportunities)*
- **Seed Capital** *(small but reasonable amounts to establish investment mindset versus entitlement mentality with follow-on from traditional early stage sources)*
- **Flexible Programming** *(use established seed accelerator frameworks/practices or fast test programs to drive minimally viable product, pitching proficiency, and next stage investment where growth is a mindset from inception)*
- **Addressing the educational system delivery gap** *(delivery cannot be "traditional school-oriented" and entrepreneurship can't be just another class. It must be focused on peer to peer learning with no lectures, but the sharing of entrepreneurial stories, both the successes and mistakes)*

[33] Oregon State University created the Austin Entrepreneurship Program to create a unique living-learning environment for undergrad students to immerse themselves in all aspects of entrepreneurship.

Measuring student incubation success/impact might include any and all of the following:

1. Customer adoption (installed base of users/clients) / early revenue signs
2. Beta, pilot testing of business concept
3. Modest amounts of third party investment (friends, family, crowd sourcing, angels, customers) followed by a successful round of investment
4. Innovation awards, business competition wins, and newspaper articles
5. Student maintains business during his/her college years and continues it after graduation
6. Students major in entrepreneurship, gain entrepreneurial skills that make them more marketable during/after graduation, more non-business majors minor in entrepreneurship.
7. Student joins the incubator (if one is opened), stays in the service area after graduation and starts their venture, and recruits/hires fellow students
8. Progress against agreed-upon milestones

Appendix 2: Innovation Park Interview Questions for Incubation Assessment: Composite Results

Caveat: *LPA guarantees anonymity to participants in the interviews. All comments have been written when identified in quotation marks as close to verbatim as possible without specifically attributing the comment to an individual or group. Other comments are generalized from patterns and commonalities in the conversations.*

LPA conducted a comprehensive stakeholder assessment involving University personnel, former entrepreneurs, business leaders, government leaders, local entrepreneurs, public-private economic development organizations, commercial brokers, entrepreneurial support providers and service providers.

The total number of interviewees conducted either in person or on the phone: **37**

1. **What is your definition of the term "small business incubator" – what does it mean to you?**

A few individuals interviewed felt a wet laboratory business incubator was simply a "building" designed to encourage the development and progress of small and start-up businesses. Other interviewees were more attuned to "programs and services" over the actual physical building; the majority of individuals interviewed were "not sure" what this was. Some interviewees emphasized "DOMI Station" as an example of an incubator and referred to it often when incubation was mentioned. Far too many people said, "It's a place where people can go to get their business started and find money," which indicates, again, the need for sufficient pre-seed capital in the area.

2. **Are you aware that Innovation Park is considering building a small business incubator on the property next to them? Is this a good idea?**

This question brought mixed responses. Everyone seemed to be "informed" about the incubation project, but, it became obvious they were not sure Innovation Park was going to "build their own building." They felt it was possible "it might be put downtown, it might be put in portable buildings on the old alumni village spot, it might be put in the buildings FSU is already building." Some interviewees thought it was strictly an FSU project, not an Innovation Park/LCRDA project.

As far as “was this a good idea,” universally this answer was YES! But that yes was relative to their frame of reference. The “yes” was couched in “yes, it’s a good idea IF they do this to provide services to startup companies out of the universities” and “yes, if they support the project as we see it” and “yes, if they don’t do it by themselves.” So, one has to consider the unanimous “yes” in the context in which it is given.

Some of the individuals who were interviewed had very little understanding of the business incubation initiative and were generally ambivalent on whether it would be good for Innovation Park to pursue such activity. Collectively, they expressed that “They don’t know much about it and they’ve heard such talk before, and generally they hear a lot of talk but don’t see a lot of action.” Innovation Park was occasionally described as “very mysterious” to them, it didn’t have a clear mission, and generally undergoing they weren’t sure how the incubator fit “into the plan – whatever the plan was”.

Going back to DOMI Station - it is also worth noting here there was some confusion expressed during the interview (typically during this question) between the concept of “incubator” and “DOMI”. Many individuals FELT that DOMI Station WAS the incubator in town. Some individuals even thought DOMI Station was building – or had already built – wet laboratories. There was some thought that Innovation Park was going to build a wet laboratory across the street from DOMI Station, as well. There seemed to be a little confusion about the role – and responsibilities – and structure/reporting of DOMI Station.

3. What do you think Innovation Park means to this area? What have they done for you/for the community?

This question brought tremendous positive response from all interviewees about the positive value Innovation Park brings to the region. It became obvious there is some “competitive nature” to the DOMI Station situation, however, when it comes to economic development and education, the value of Innovation Park is definitely recognized and appreciated. Many interviewees feel Innovation Park is a tremendous EDUCATIONAL value, but has not yet reached its potential as an “economic development engine.” There were comments to the effect that Innovation Park has “more capabilities than we realize” and that “Innovation Park has the potential to be a game-changer in this region, but it has been hidden away, in general.” Innovation Park seems to be misunderstood in the local community in terms of its mission, role and direction. Interviewees suggested that Innovation Park needs new signage, and that the Park should publish more about its role and direction in the community. At the same time, Innovation Park is often characterized as a “wonderful economic treasure” in the area; many people also stated, “Innovation Park is the MagLab, and the MagLab is Innovation Park”.

4. What programs are lacking/missing to support entrepreneurs in your area? Could you think of anything that businesses might need that's not here?

In general, people feel that entrepreneurs (what few there are, according to most interviewees) are not well served in the area. Typically, "well-equipped space and mentoring" was brought up, but, primarily (as in most regions) financing is the primary issue of concern. While the DOMI Station center was mentioned, it was tagged as being "too specific to IT businesses, while most of the companies in this area are non-technical, and thus fail for the lack of $50,000 or so – we have a lot of retail/Mom & Pop businesses that can't get off the ground." This lack of angel capital and small financing was brought up by a vast majority of interviewees. In addition, education/training was also brought up as an issue. Workforce readiness education (employer demand driven skills), management training, and entrepreneurial education are all apparent issues. TCC was mentioned as a leader in workforce training.

5. What organizations provide direct support to entrepreneurs in your area?

It was mentioned that Tallahassee Community College (TCC) has been an excellent supporter of small business. The local SBDC offices were also mentioned as doing a good job, as well. The LCRDA was also mentioned as outstanding; the economic development personnel there are recognized as doing an excellent job. The SCORE Chapter here is also recognized as excellent. In addition, referrals were often made to the DOMI Station personnel, and to Ron Miller at Innovation Park.

6. Do you know of anyone who might (a) serve on the board; (b) willing to financially participate or participate in raising financial funds for operating/capital needs; (c) help with finding people with new ideas for businesses?

This was a question many interviewees seemed hesitant to answer, either due to an inability to think of someone, or due to being hesitant to recommend specific people for some reason. Several community leaders were mentioned (most of the people on our interview list) as individuals who might "come across" people who would think of starting small businesses. Overall, the response levels to this question were not good, and there were not a significant number of "volunteers", as we see in many communities. The Government of Leon County, major FSU Faculty members, or major small business support figures were cited in the responses. Additional names included: Larry Lynch, Dean Menardi, Kim Williams, Ken Morris, JT Burnette, Don Rosenkoetter, Wendy Plant, Steve Evans, and others.

7. What about FSU/FAMU? What contribution (intellectual property, student internships, special projects, specific research efforts and entrepreneurial faculty) might they make to the success of the effort?

This question brought overall negative response at first, but then a "softening" as we pressed for more details. Apparently, there have been changes at both FSU and FAMU and a "shift" toward more of a focused approach on potential commercial possibilities. In particular, interviewees felt FSU was making strides in biotechnology, biomedicine, engineering, energy, physics and aerospace areas; however, this "shift" had just begun. A common theme expressed was "maybe Innovation Park could pick up these other types of businesses if they set up an incubator?" FAMU was also viewed as having "turned a corner" and becoming more progressive in pharmacy, and being more interested in technology commercialization. There was serious interest in pursuing partnerships with both, but interviewees felt it would take time to see the "fruits of the effort".

Questions related to the business climate and entrepreneurship in the Leon County area (and surrounding counties) in particular:

1. Describe (from your perspective) the business climate in your county and comment on it. On a scale of 1 to 10, with1 being unhelpful and 10 being very helpful, how helpful is local government/county government to businesses? Are they an impediment, or assistance?

Overall, the response here was quite mixed. In fact, the composite rating was most likely a "5" on the scale. Many interviewees felt the local city/county government was quite strong when it came to helping small business, and government officials did quite a bit to attract and retain companies. Others asked if there was a "negative" on the scale, and felt that government actually "got in the way" of small businesses, to the point where some small businesses (names were mentioned but are withheld at the individuals' request) have actually "picked up stakes and moved away" because of local/county government issues. It was practically a unified front that the "building and zoning" division was a tremendous impediment to small business; they were inconsistent in enforcement and treatment, they were unfair, they were unresponsive, and they were unwilling to work with businesses. While many individual business owners have complained all the way up to the Mayor's office, nothing has been done to correct the situation, and thus again many people who might have formed a business have either gone elsewhere or have given up on the idea of forming businesses altogether, strictly because of this department. Other departments drew some critique, but nowhere near this unanimous or detailed. While some felt the "speed of action" of government left something to be desired, everyone still felt the end result was good – in general, government was a positive asset relative to business attraction, retention and development. Tallahassee City Government, in general, is viewed very positively in zoning, permitting, use of revolving funds, and their interest in supporting local companies who are investing and growing in the community.

2. What are the strengths of this county/region as a whole? How do you think these strengths can be incorporated into an incubation program?

Most individuals said engineering and medicine are the primary "super strengths" of the area it was repeated over and over that "…the MagLab is an incredible, hidden asset to this area that we fail to capitalize on." People felt there was tremendous untapped potential in the MagLab as a national center of excellence. Also mentioned was capacity in aerospace. Additionally, the sheer presence of FSU (and the School of Medicine) was a big positive factor, along with FAMU (primarily the School of Pharmacy) and Tallahassee Community College. DOMI Station was mentioned as a significant advancement in the past few years. The relatively low unemployment rate and very good "general" workforce was also mentioned as strengths. The great relationships among local businesses and government creates a strength in that the "local community works together," and there is a "good community feel to Tallahassee" that you "just don't get in bigger cities." People feel the opportunity is "ripe for an incubator," so that students graduating see an opportunity to "stay here and get a job," so there should be some opportunities to develop businesses here to serve the existing companies in the area that have stayed and have expanded. However, there were also negative comments about "Tallahassee being much smaller than many capital cities that are comparable, such as Madison, Wisconsin, or Austin, Texas; they are also state capitals and "tech" communities, but they have a much larger critical mass of entrepreneurs and companies, so they are much further ahead of us."

3. What are 3 weaknesses or disadvantages to locating a business in this county?
Location, location, location! Land was mentioned as an issue - FSU has "held Tallahassee hostage" (not on purpose, but such is the nature of university life) over the land issue, and land is very pricey. "We have a hard and fast ordnance about requirements to build on, no exceptions, because of university restrictions; thus, there's no real good vacant land, other than out here where the park is, existing to get companies into fast." "We have to build a building if we want to attract a decent-sized company." Also, "we don't have ports, we don't have major arteries leading to some of our area, and you just can't get here from there, etc."; "We have some issues with location – there's no good way to get here without changing planes 3-4 times." "Workforce training is an issue. We have a trained workforce, but no real management to lead them, and no training to develop management; we have an area of workers/followers, not thinkers and managers." "It's not collaborative enough here." We discovered that the BIGGEST issue, overall, is that employment opportunities are scarce. "This is an area dominated by the university – it's difficult to get a job here if you lose the job you have, so people are reluctant to relocate here unless they are going to

work for the university." "Our 'entrepreneurial quotient' isn't what it should be. Look around – we have very few start-ups for a region this size". "Innovation Park should focus on 'utilizing the MagLab' and 'energy sciences'. Both are areas we can excel at and "make easy money".

4. Do you come in contact with people who are interested in starting new businesses?

Response	Count
YES	**12 (32%)**
NO	**20 (56%)**
SOMETIMES	**05 (12%)**

This is an alarming amount of "no's" and "sometimes" from people in or involved with economic development – and the people who said "sometimes" mostly said "rarely" – and when further pressed, they said "mostly people who want to start hot dog stands, do retail, basically "lifestyle" or "survival" businesses. Typically, in this type of survey, one expects to see 60-70% "yes" answers. Again, most of the "yes" answers were "value-added" businesses, "mom-and-pop" type of enterprises, or light retail businesses – not technical or development companies.

5. Do you know of people who have recently started a business or who are thinking of starting a business? Would they benefit from incubation? This question also brought mixed responses. Almost 60%+ said, "no" – they did not know of anyone who had recently started a business. Out of the ones who DID know someone who had started a business, the businesses described were primarily supplier/service businesses to the retail community. Mostly "niche product" businesses, nothing high-tech, nothing really "different or unusual" as a business concept is being conceived down here. Overall, would they benefit from incubation? It's hard to tell – mixed response.

6. What type of businesses does this area need? Why? What type of businesses do you hear about that people want to start? The focus on the part of the interviewees was "high tech" – we need businesses that are involved in energy/biotechnology/biomedicine/aerospace/IT. We need businesses that focus on solar, electricity, hydrodynamics, geothermal energy, magnetics, bioengineering, better power distribution networks, etc. We are an engineering-focused area and we need engineering-focused businesses to advance our lives. A few mentioned alternative energy as a possible area of focus, and a few mentioned "pharmacological sciences" as a possibility, as well. When pinned down as "What types do you HEAR ABOUT that people want to start?", again, the answer was similar to #5, above – adjunct products

(solar, wind, battery technologies, etc.) – mostly alternative energy products for the future.

7. Do you have any other comments, concerns or suggestions that would be helpful for us to consider as we conduct this assessment? Are there any questions I could answer for you about the project? The primary answers here were focused on money, universities, and government. The area needs capital, it needs better cooperation and focus by the universities in the area, and it needs more assistance and cooperation from local, county, and state government. This seemed to be the focus of the final question. How can Tallahassee/Leon County "better utilize what it has" seemed to be the primary question of the day.

HERE ARE SOME OF THE REPRESENTATIVE INTERVIEWEE COMMENTS:

1) An incubator for us could be a concentration of brainpower where you can make something work to enhance the economy down here – it's really important for the community here.
2) We can't be 100% dependent on the universities anymore – we have to try new things. I was discussing with someone – one more reasonably-sized company disappears and people can't afford to make a living here (other than legislators and university employees – and the economy here will change forever. We need to be proactive – and start changing NOW.
3) There are too many issues to start a small business down here. You have to have a ton of permits just to get a sign above your door. I know a business that shut down and moved because they wouldn't approve a sign for it. It's ridiculous. This place isn't pro-business – it's about as anti-business as you can get.
4) If you had 10 professional people who would lend their time to 10 startups – that would be extremely helpful – it would be helpful to set up an Advisory Board – I need someone worth of knowledge.
5) We have plenty of folks willing to share this vision, but where will they get money? Let's say you have a student coming out of FSU with a fantastic idea and full of spit and vinegar, ready to start – where are they going to go for financing? What are they going to do for money?
6) We don't need a silver bullet – we need silver buckshot.
7) Don't use the word "incubator" – ever. It has a bad connotation around here. Use something else, please – anything else!
8) There is nothing innovative about Innovation Park.

9) I heard it said, “The role of Tech Transfer is PR”. No, it’s not. That’s a terrible thing to say – the role of Tech Transfer is to build the economy.
10) What we need is a system, the underlying support mechanism of business, which teaches everyone “how it’s done”.
11) There is not a lot of educated, highly trained labor here – workforce development could be a problem for a technical company. We get people coming for short-term training from other countries.
12) We’re spending millions of dollars building fancy buildings for theoretical businesses and we don’t even have a damn list of investors. We dance our chickens in front of everyone and then everyone goes home – we need to get organized and develop a pipeline – NOW.
13) The tent for the Leon County Entrepreneurial Ecosystem is going to be held up with an FSU pole.
14) NO ONE TALKS WITH EACH OTHER – no one. The EDC, TCC, FSU, FAMU, the County, the City, no one. UF does great. We don’t – but we have incredible potential.
15) I don’t know what will come first – people to start companies, or the climate to change to encourage people to start companies.
16) The Technology Transfer environment here has to change – has to be progressive – has to be different. FSU has to be *dedicated* to it, put money and muscle behind it. They need more people – more budget – and experience behind it, or this won’t work, and they need it now. Nothing against what’s there – it’s just they need more.
17) We need entrepreneurs here. We need founders here. However, CEOs don’t need to move to lead one of our companies.
18) Tallahassee lacks a ‘gearbox’ in the entrepreneurial ecosystem for funding, coordination, and for vetting deals.
19) Without Domi, we, as a community, would not understand the potential of what an incubator could be.
20) Spaces like our maker space have struggled with getting respect in the community.
21) Our community is nothing but engaged!
22) We are the second city in the state to have an infrastructure tax. While we cannot afford a 100% or 50% subsidy forever, we can support a mix of people who can pay and those that cannot pay.
23) We don’t have enough hands-on support – we need more mentors – and we don’t have enough companies at this point asking for money.
24) There is a major disconnect in what it takes for our community to support entrepreneurs.
25) I don’t think we can support 100% bio incubator, and I also don’t think it needs to be 100% bio.

Appendix 3: Overview of Seed Accelerators: TechStars and Global Acceleration Network Case Study

Initial Business Model/Premise: To do angel investing better.

Locations: Boulder, CO; Boston, NYC, Seattle, and San Antonio and Global Acceleration Network (GAN) locations across the world (70+)

Start Date: 2007 (Average GAN program is 2.9 years old)

Program Overview:
TechStars is a mentorship-driven, seed stage investment program for web-based, mobile apps, social networking, gaming, cloud-based applications. Typically, a seed accelerator has a predetermined number of cycles, funds a certain number of companies in each cycle with modest amounts of capital, surrounds the companies with the best and brightest web entrepreneurs and investors, and works to take each start-up company from concept state to seed funding**.**

The typical profile and methodology is as follows:

- Founders are 25-40 years old.
- Young, early teams (although seed accelerators are moving to later stage companies)
- Focus is web-based or other software companies with low capital intensity
- Start-ups receive equity funding, mentorship, advice, and networking and educational opportunities
- Prepares the start-up to pitch their ideas to investors
- Ventures test theories and quickly pivot based on data/feedback
- Typically, a 90 to 180 day program with an Investor Demo Day (three phases: The Direction- ensuring the Company products are the right products for the right market; Execution- pairing with the company's lead mentor, pivoting, and executing on what is learned and getting the product in the customer users' hands, and The Pitch- pitching, pitching, critiquing, pitching and practicing.)
- Highly selective

Global Acceleration Network Membership:

- 400-2000 accelerators depending in how you count
- TechStars has 48 members in 80 locations independently owned and operated regional participants on six continents in their Global Acceleration Network
- Non-profit affiliation costs up to $17K in year 1 and $6K in each subsequent year
- 4 year with one year renewals for non-exclusive license
- Access to network conferences, webinars, knowledge sharing/leverage, deal flow, and third party discounts

TechStars/GAN Business Model

- Seed Funding + Time + Sweat Equity = JOB$
- Duration: 3-6 months
- Equity: <10%
- Investment: $18-$25K (more accelerators acting like seed funds and investing $120K upfront)
- Cohort of 10-12 teams at a time, 2x a year
- Mentor-driven (robust)
- Provide office space and member perks

Value Proposition to investors

- Curated deal flow
- Diversified investment- lots of small bets

Value Proposition to Founders

- Speed and agility
- Fail fat. Succeed fast.
- Network
- Publicity

Biggest differences between Accelerators and incubators

"2 to 3 years progress in 90 days." **Brad Feld**

- Selection rate and fast test process (time)
- Company stage- early; focused on minimum viable product (intensity)
- Investment driven (wealth) versus economic development driven (jobs)
- Funding
- Engaged and driven mentorship

University programs – IP (Designed to monetize IP)

"Accelerators take a business from one state to an advanced stage in a condensed time period utilizing seed funding, mentorship and networking."

Shared Characteristics

- Low or no equity
- Some charge participants
- Often restricted to students
- Project of the business or engineering school

University Program Examples

- Furnace
- ASU Edson Student Entrepreneurship Initiative
- Duke Social Entrepreneurship Accelerator at Duke
- Global MIT Founders' Skills Accelerator

Key Metrics: (for an extensive up to date of their performance, see www.techstars.com)

- 10 companies selected from 1,500 applications per round (average) in a TechStars-originated program
- TechStars companies average over $701K in outside investment and created 5,174 jobs involving 1,367 companies (3.8 jobs per company)
- Y-Combinator has stated only 8% of its investments have resulted in an ROI/targeted payback

Some metrics from the US SBA 2014 Growth Accelerator Competition:

- Yield rate on start-up applications: 1 in 10 get accepted
- Average jobs per start-up: 3.3
- Average investment per job: $170,606
- 10% of applicant winners (funded accelerators) were engaged in health care and 4% were invested in Biotech and energy (areas Tallahassee could be a strong contender)
- Accelerators graduate, on average, about 10 companies per year

Appendix 4: Overview of Technology Incubators: Purdue & Cornell Case Studies

Purdue Program Overview:

Locations: West Lafayette, IN, New Albany, Indiana, Merrillville, IN, and Indianapolis, IN

The Purdue Research Park (PRP) Incubator is a University business incubator/park that has a semi-formal relationship with Purdue University in West Lafayette, Indiana. The PRP Incubator was formed as technology incubator. Currently, the majority of the companies in the PRP Incubator are from Purdue University; however, Purdue also admits community and non-Purdue companies into the incubator. PRP is one of the oldest parks in the US. They operate 4 statewide Technology Centers and are a state certified tech park by Indiana Statute.

Purdue Technology Centers leverage university resources to support the development and growth of its clients. Purdue Research Park provides:

* HR services program to give clients the professional insights and staffing services to grow successfully (performance coaching, employment law, recruitment, job postings, background checks, handbook development, and training and professional development.

*Marketing support program to give clients the edge in sharing and telling their story (advertising, professional development of public relations news releases, advertising their success on the JumboTron during Purdue football games)

*Promotion of a feeder system of high school junior and seniors to inspire next generation entrepreneurs (students are nominated by teachers, complete a comprehensive ideation process using WKI's So What, Who Cares?, and work in teams to create a new business venture."

Source: 2010 Best Practices in Action: Guidelines for Implementing First-class Business Incubation Programs=

The Cornell Ag and Food Tech Park Profile:

Location: Geneva, NY

Profile

- Park was founded in 2005.
- Focus is agricultural/agribusiness companies.
- Start-ups receive mentorship, advice, and networking and educational opportunities
- Prepares the start-up to pitch their ideas to investors
- Currently have 17 offices, 2 labs, 4 production facilities, and an administration suite, with 12 total clients
- Have had several graduations and one failure. Many clients are long-term; some have been there since facility opened.

Overview of the Technology Farm Operations:

- Only one employee, a Director (retiring 6/2014)
- Operates with rent and grants, running at a deficit
- Original operational grants of $125,000 and gift of $265,000
- Maintenance performed by Experiment Station (Cornell) per agreement

Key Metrics: (for an extensive up to date of their performance, see www.thetechnologyfarm.com)

- 12 companies as clients, average tenancy 6 years
- Recruitment done by Director
- Largest client: Cheribundi, Inc.

Appendix 5: Overview of Selected Florida Incubation/Acceleration Practices

The following programs were selected from South Florida to provide a look into how different programs are influencing their entrepreneurship ecosystem. In addition, several coworking examples are provided to further illuminate some innovative strategies that could be applied to flex-space laboratories.

University of Miami Launch Pad (http://thelaunchpad.org/)
Phone: 305-284-2789

The Launch Pad opened in August 2008 as part of the Toppel Career Center and offers career guidance, resources, and advice to entrepreneurs, innovators, and inventors at the University of Miami. One basic goal of The Launch Pad is to show University of Miami students and alumni that starting a new venture is a legitimate career path. A second key goal is to encourage every UM student who wants to start a new venture - either for-profit or not for profit - to do so in South Florida and thereby contribute to the economic and social growth of our region.

The Launch Pad is a physical facility that provides many on-site services. Services include regular individual and group consultative sessions, workshops, networking events, and a network of local Venture Coaches. The Launch Pad program strives to connect ideas, people, and resources; provide advice and guidance; and build relationships with experts in the local business community. Much of The Launch Pad's entrepreneurship education occurs in one-on-one consulting meetings, which provide just-in-time delivery of resources for projects and businesses from the concept phase through acquisition. The Launch Pad's experiential approach allows students to experiment, try, assess, and try again free from the concern of semester timelines or transcript constraints. Additionally, each month there are three meetings in which The Launch Pad's sixty-member Venture Coaches assess new ventures and smaller Venture Coaching teams engage in advisory-board style consulting sessions with specific new enterprises. The Launch Pad at the University of Miami hosts a variety of educational and business development events; from workshops to lectures, networking and hands-on learning.

Since opening in 2008, The Launch Pad has become the largest single student activity at the University of Miami, with over several thousand student and young alumni participants. Over 50 companies have been started since inception.

The Launch Pad is located within the UM Life Science & Technology Park (see next page).

University of Miami Life Science & Technology Park (http://umlsp.com/)
1951 NW 7th Avenue, Miami, FL 33136, (305) 913-1355

The UM LIFE SCIENCE PARK is a private undertaking between the University of Miami, a private, non-profit university and the developer, Wexford Science + Technology. The vision of the UM Life Science & Technology Park is to be a vibrant urban research park community where people can work and play. Companies from the private and public sector will thrive in mixed-use facilities with labs, offices, retail shops, restaurants, and industry-leading amenities. The UM Life Science & Technology Park is near to six hospitals. The mission of the University of Miami Life Science Park is to provide first-class facilities in an urban park setting in order to promote research, inspire collaboration between the University and private and public enterprise, deliver economic benefits to the local community and bring meaningful medical and technological advances to the world.

The UM Life Science & Technology Park is home to The Beacon Council, Enterprise FL, BioFlorida, and the Enterprise Development Corp.

Venture Hive (http://www.venturehive.co/)
1010 NE 2nd Ave, Miami, FL 33132, Phone: 305.735.1274

The Venture Hive is an outgrowth of the UM Launch Pad (above). It was created in 2013 with grants from Miami's DDA and Mayor Carlos Gimenez. Venture Hive Miami is already home to 35 companies, more than 100 entrepreneurs. Daily programming from recognized best-in-class mentors and business leaders, regular events to support the greater South Florida tech community, and a magnet for international startups who want to make Miami home, Venture Hive supports both an accelerator and incubator for starting and building high growth technology companies in Miami. The Venture Hive® Accelerator program spans 12 weeks, during which 10 teams work full-time on creating a scalable business model for their technology startup. Venture Hive® Incubator offers mentoring and support services any time of year. They tend to focus on Hospitality/Tourism, Creative IT, and Healthcare IT. There is also Venture Hive Prep, an innovation toolkit available to schools that teaches problem solving and value creation. And Venture Hive University is "applied, experiential learning for university level entrepreneurs." Both are designed to foster a culture of innovation and entrepreneurship at the high school and university levels.

Programs

- **Accelerator / Incubator** (Non-equity grants / multi-vertical recruitment / culture of innovation)
- Venture Hive U Mindset-shift (global network of collegiate entrepreneurs / startup culture)
- Venture Hive Prep (Problem solving / critical thinking / empowerment through education)

Pipeline Brickell (http://pipelinebrickell.com/)
1101 Brickell Avenue, South Tower, 8th Floor, Miami, Florida 33131, 305-728-8830.

Pipeline Brickell exists to provide an extraordinary environment where people genuinely enjoy working and interacting. Pipeline is a high-design shared workspace used by a diverse community of entrepreneurs, startups, independent professionals and small business teams. Different from executive office suites and other co-working spaces, Pipeline is a purpose-built environment that provides members a variety of areas to focus, collaborate, learn or socialize at any given time. By reimagining the traditional workspace, Pipeline gives our members the greatest opportunities for productivity and success. As part of our Pipeline Learning Series, we bring in local and national speakers to share their knowledge, insights and stories. Some topics have practical applications, like experts who speak about social media, raising money for startups, or the basics of legal contracts. Other sessions, like wine tastings or improv classes, are used to enable members to connect in a more casual setting. Facility includes shared workspace as well as high-design executive office suite with private offices, dedicated desks, flexible spaces, virtual offices, and meeting rooms. All member options include 24/7 access, free high-speed internet (wired and Wi-Fi), high-design furniture and ergonomic chairs, organic coffee and specialty teas, receptionist services, business center, conference rooms and much more. See our complete list of amenities.

Private Suites Starting at $649/mo

- Private offices in different sizes
- Great for small teams and individuals (available for 1 to 6 people)
- Greater privacy, room to store files in a secure space, and a bay view

Dedicated Desks Starting at $449/mo

- Personalized desks in an open environment
- Set up your computer, phone and personalized items
- Also includes lockable storage, whiteboard & tack board

Flex Space Starting at $199/mo

- Sit at any co-working desk, table, seat or social area
- Open your laptop and start working wherever you want
- Excellent option for individuals or teams who do not leave items overnight

Virtual Offices Starting at $99/mo

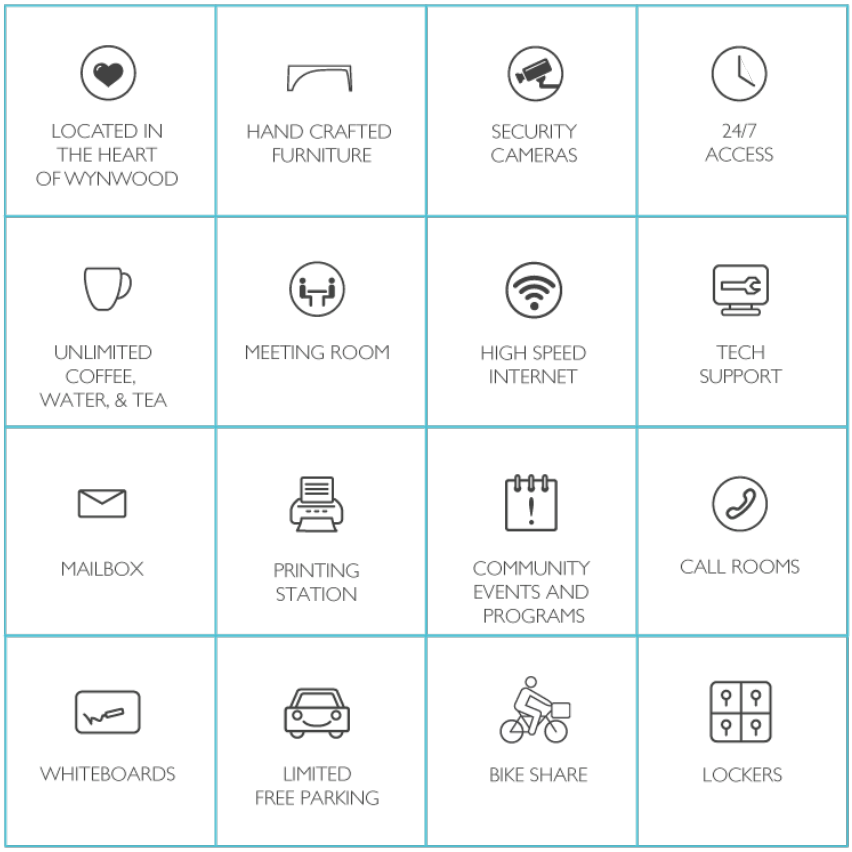
- Get access to our space, conference rooms, events, and receptionist services
- Use Brickell's address to receive your mail, and set up a local Miami phone number

The LAB Miami (http://thelabmiami.com/)
400 NW 26th Street, Miami, FL 33127

The LAB Miami is a campus for social and tech innovation. It is designed to be an entrepreneurial community of creatives that learn, act & build together. The founding class is enrolling now, so it is a brand new program. The space looks more like co-working but has some dedicated space for people who want more of an incubation experience. It also hosts classes and events but they do not look business-focused. They are more content and technology types of events, plus some networking. Two tiers of sponsors: Corporate Sponsors (Knight Foundation, ESPN, and Comcast) and Community Sponsors (Kind, ZipCar) and perks from community partners.

Levels of membership:

- LabFlex- $265/month, minimum 6 month commitment, $300/month to month
- LabDesk-$525/month; 1 year commitment
- LabOffice-$1,600/month, 1 year commitment


LOCATED IN THE HEART OF WYNWOOD
HAND CRAFTED FURNITURE
SECURITY CAMERAS
24/7 ACCESS
UNLIMITED COFFEE, WATER, & TEA
MEETING ROOM
HIGH SPEED INTERNET
TECH SUPPORT
MAILBOX
PRINTING STATION
COMMUNITY EVENTS AND PROGRAMS
CALL ROOMS
WHITEBOARDS
LIMITED FREE PARKING
BIKE SHARE
LOCKERS

Appendix 6: FSU Report on Annual Metrics

Source: FSU Office of Commercialization, 4/9/15, Eric C. McNair

Key Patent Production Metrics	FY 2012	FY 2013	FY 2014	3 Year Average
Number of Disclosures	76	58	61	65
Patents Applications	90	124	99	104
Patents Granted	27	43	39	36
Total Annual License Income	$1,133,065	$1,036,222	$1,064,265	$1,077,851

Disclosure Breakdown

University Investigative Area	FY 2012	FY 2013	FY 2014	3 Year Total
Biological Sciences	12	5	4	21
Chemistry and Biochemistry	11	5	8	24
Computer Science	4	6	3	13
English	1	0	0	1
Physics	0	4	1	5
Psychology	2	0	0	2
Scientific Computing	2	1	0	3
Statistics	5	1	1	7
Athletics Administration	0	0	1	1
Center for Advanced Aero-Propulsion	0	1	1	2
Center for Advanced Power Systems	5	7	2	14
Communication	0	0	1	1
Education	0	2	0	2
Biomedical Science	12	6	12	30
Interior Design	0	0	1	1
Engineering	5	4	8	17
Florida Center for Reading Research	0	1	1	2
Florida Center for Prevention Research	1	0	0	1
Nutrition, Food, and Exercise Science	3	0	1	4
High Performance Materials Institute	2	6	8	16
Retail, Merchandising, and Product Development	0	1	0	1
Master Craftsman Program	0	1	1	2
Holton	1	0	0	1
Institute of Molecular Biophysics (IMB)	1	0	0	1
National High Magnetic Field Laboratory	9	7	6	22
Panama City Campus: Administration	0	0	1	1

Appendix 7: FSU Research Foundation Projects with Innovation Park Clients

Open Grants

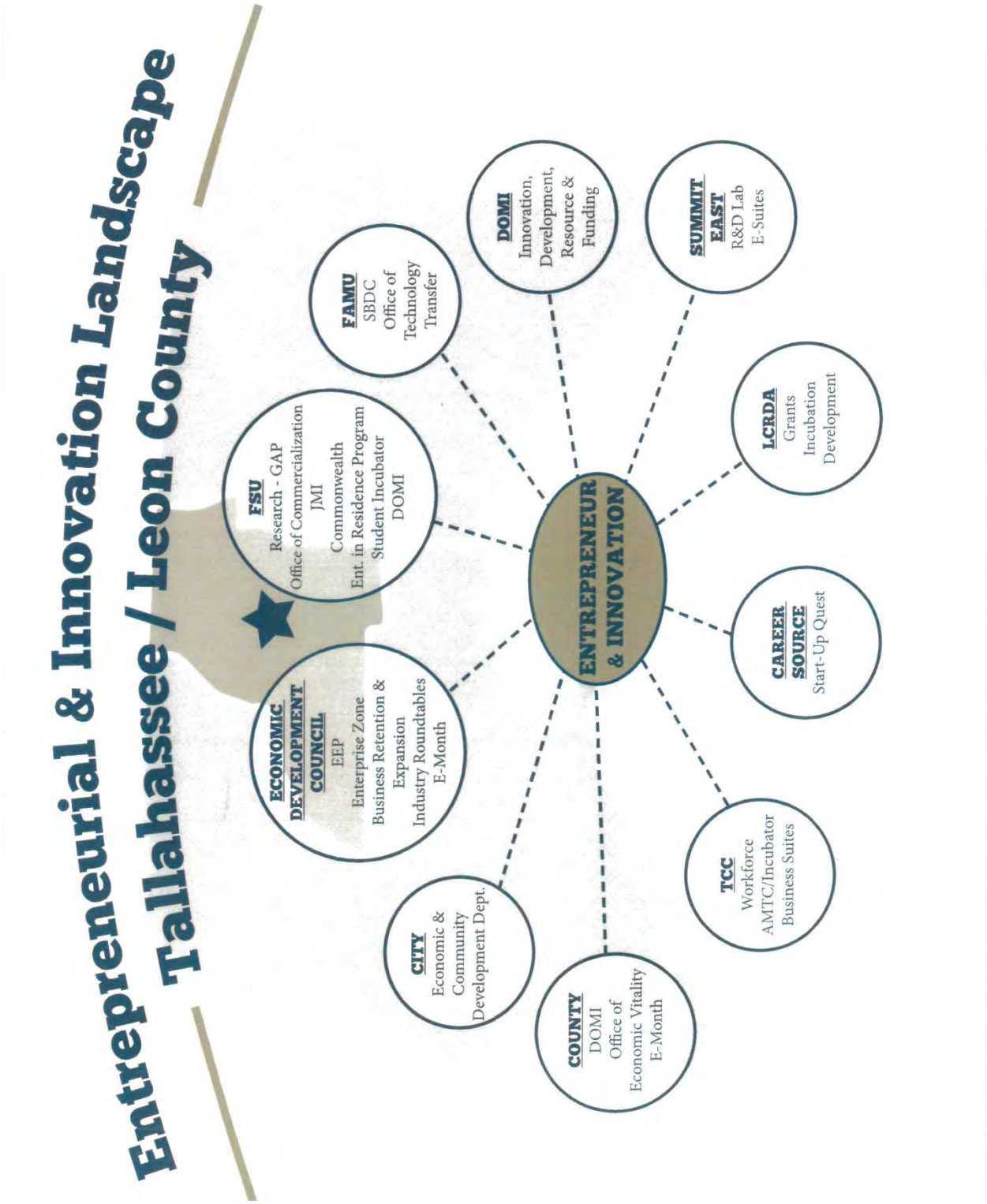
Statius	Department description	Project ID	Project description	Start	End
Active	ENG - Chemical & Biomedical Engineering	RF00931	Alamo/Exxon Mobil Chemical Company	10/1/06	12/31/15
Active	ENG - Mechanical Engineering	RF01015	Clark/Proctor & Gamble	1/1/09	6/30/15
Active	UR - WFSU TV	RF01713	KEATING/ARCHIBALD FOUNDATION	12/15/03	6/30/15
Active	VPR - NHMFL	RF01877	MARSHALL/VARIOUS SOURCES	9/20/02	12/31/17
Active	VPR - NHMFL	RF01879	MARSHALL ETAL/VARIOUS SOURCES	11/26/03	12/31/18
Active	VPR - NHMFL	RF01916	DAVIDSON/VARIOUS SOURCES	4/1/00	12/31/15
Active	VPR - NHMFL	RF01921	DAVIDSON/EQUIPMENT DONATION	4/1/00	12/31/15
Active	VPR - NHMFL	RF02162	Rodgers/Various Sources-Future Fuels Institute	7/1/11	6/30/20
Active	UR - WFSU TV	RF02188	Keating/Foundation Cost Share/WSRE	5/1/11	6/30/14
Active	VPR - Applied Superconductivity	RF02226	Larbalestier/CERN	12/16/11	12/31/14
Active	VPR - Applied Superconductivity	RF02233	Lee/ITER 2012-2013	1/9/12	11/30/14
Active	ENG - Civil & Environmental Engineering	RF02266	Abichou/Waste Management National Services	6/1/12	12/31/14
Active	VPR - CAPS	RF02326	Pamidi/SuperPower	12/17/12	12/31/14
Active	VPR - NHMFL	RF02353	Boebinger/OMICS Mag Lab Use	12/3/12	10/1/16
Active	ENG - Industrial Engineering	RF02372	Park/Oak Ridge Associated Universities (ORAU)	6/1/13	5/31/14
Active	VPR - NHMFL	RF02398	Lu/HyperTech Research Inc.	10/10/13	7/1/15
Active	VPR - FCAAP	RF02399	Kumar & Alvi/Northrop Grumman	10/1/13	3/31/16
Active	VPR - NHMFL	RF02408	Walsh/ITER Organization	11/19/13	9/30/15
Active	UR - WFSU TV	RF02409	Keating/CPB-FY2014-TV Community Service	10/1/13	9/30/15
Active	UR - WFSU FM	RF02410	Keating/CPB-FY2014-FM Radio Community Service	10/1/13	9/30/15
Active	VPR - FCRR	RF02432	Hook/Lexia Learning	2/1/14	6/30/15
Active	ENG - Electrical & Compurter Engineering	RF02443	Zheng/General Capacitor International	1/1/14	12/31/15
Active	VPR - NHMFL	RF02485	Marshall/Waters	6/30/14	6/29/15

Statius	Department description	Project ID	Project description	Start	End
Active	UR - WFSU TV	RF02487	Keating/Corporate Public Broadcasting-CPB	7/15/14	3/31/16
Active	VPR - FCAAP	RF02507	Alvi/Danfoss Turbocor Compressors, Inc.	9/1/14	5/30/15
Active	VPR - NHMFL	RF02508	Walsh/Mevion	9/23/14	9/22/15
Active	VPR - CAPS	RF02509	Steurer/Dynapower Company LLC	10/6/14	12/31/14
Active	VPR - NHMFL	RF02510	Song/Dana-Farber Cancer Institute	7/28/14	7/31/15
Active	UR - WFSU TV	RF02513	Keating/CPB-FY2015-TV Community Service	10/1/14	9/30/16
Active	UR - WFSU FM	RF02514	Keating/CPB-FY2015-FM Radio Community Service	10/1/14	6/30/16
Active	UR - WFSU TV	RF02515	KEATING/CPB-FY2015 TV Interconnection	10/1/14	9/30/15
Active	UR - WFSU TV	RF02524	Keating/WNET	11/24/14	5/1/15
Active	VPR - CAPS	RF02531	Steurer/American Bureau of Shipping	12/15/14	6/30/15
Active	VPR - AME	RF02546	Shih/Harris Corporation	3/1/15	9/30/15
Active	VPR - CAPS	RF02549	Steurer/EPRI-Mechanical Forces-Phase 2	2/27/15	2/29/16
Active	VPR - FCRR	RF02556	Reed/American Educational Research Association (AERA)	7/1/15	6/30/16

Closed Grants

Statius	Department description	Project ID	Project description	Start	End
Inactive	ENG - Chemical Engineering	RF00915	Perry/National Gem Consortium	8/29/05	9/1/13
Inactive	UR - WFSU FM	RF01672	KEATING/ELIZABETH DUNN	7/1/07	6/30/14
Inactive	VPR - NHMFL	RF01888	WALSH/MEVION MEDICAL SYSTEMS, INC FKA STILL RIVERS SYSTEMS	1/1/08	3/31/14
Inactive	ENG - Chemical Engineering	RF02060	Ma/American Heart Association	7/1/10	6/30/13
Inactive	ENG - Industrial Engineering	RF02068	Liang/Raytheon	8/1/10	1/31/13
Inactive	ENG - Electrical & Compurter Engineering	RF02176	Li/Siemens Corporation	9/1/11	9/30/13
Inactive	UR - WFSU TV	RF02179	Keating/WSRE-Cost Sharing	5/1/11	6/30/14
Inactive	VPR - CAPS	RF02191	Cartes/Verdicorp	10/17/11	1/31/13
Inactive	UR - WFSU TV	RF02193	Keating/Florida Public Broadcasting System	7/1/11	3/31/13
Inactive	ENG - Industrial Engineering	RF02212	Wang/Boeing Company	9/1/11	12/31/12
Inactive	VPR - FCAAP	RF02256	Alvi/Northrop Grumman	12/5/11	6/6/13
Inactive	VPR - CAPS	RF02261	Steurer/EPRI-Dynamic Methods for Calculating Mech. Forces	4/24/12	3/31/13
Inactive	ENG - Industrial Engineering	RF02281	Zeng/Neptune Research Inc.	7/1/12	7/31/13
Inactive	ENG - Chemical Engineering	RF02286	Hsu/China University of Petroleum	6/1/12	5/31/13
Inactive	UR - WFSU TV	RF02308	Keating/CPB-FY2013-TV Community Service	10/1/12	9/30/14
Inactive	UR - WFSU FM	RF02309	Keating/CPB-FY2012-FM Radio Community Service	10/1/12	9/30/14
Inactive	VPR - CAPS	RF02312	Steurer/Southern California Edison (SCE)	11/1/12	6/30/14
Inactive	ENG - Electrical & Compurter Engineering	RF02332	Zheng/Zhong	11/27/12	11/26/13
Inactive	ENG - Electrical & Compurter Engineering	RF02350	Zheng/Bing Energy Ltd.	3/18/13	9/17/13
Inactive	VPR - FCAAP	RF02359	Taira/Honda	2/1/13	3/31/14
Inactive	ENG - Industrial Engineering	RF02383	Zeng/Sikes Pipe Company	6/1/13	12/1/13
Inactive	VPR - CAPS	RF02391	Steurer/EPRI	7/25/13	6/30/14
Inactive	UR - WFSU TV	RF02392	Keating/CPB Dropout Awareness	8/1/13	2/28/14
Inactive	UR - WFSU TV	RF02411	Keating/CPB-FY 2014-TV Interconnection	10/1/13	9/30/14
Inactive	UR - WFSU TV	RF02423	Keating/Public Broadcasting Service (PBS)	1/22/14	6/30/14
Inactive	ENG - Industrial & Manufacturing Engineering	RF02431	Zhang/Honda R&D Americas, Inc.	2/1/14	6/30/14
Inactive	VPR - NHMFL	RF02437	Hughes/American Physical Society	2/3/14	8/31/14

Appendix 8: Entrepreneurial & Innovation Landscape



NOTE: This was constructed by local community leaders in January, 2015


LONG
PERFORMANCE
ADVISORS