

Leon County Research and Development Authority
Board of Governors Meeting
Collins Building
2051 East Paul Dirac Drive, Tallahassee, FL 32310
Monday, October 7, 2019
11:00am to 1:30pm

Minutes

Members in Attendance: Kimberly Moore, Eric Holmes, Dave Ramsay, Keith Bowers, Ray Bye, Kristin Dozier (via telephone), Kevin Graham, Sonjoy Goswami, Anne Longman.

Members Not in Attendance: John Dailey, April Salter.

Guests: Rick Meeker, Nhu Energy; Stephanie Shoulet, Dominic DeMartino, NAI Talcor; Melissa VanSickle, Nelson Mullins Broad & Cassel; Thomas Whitley, City of Tallahassee; Ron Miller, Michael Tentnowski, Denise Bilbow, and Peggy Bielby, LCRDA Staff.

1. Call to Order

Chair Kimberly Moore called the meeting to order at 11:08am.

2. Introduction of Guests

All present introduced themselves.

3. Recognition of Retiring Board Members and Introduction of New Board Members

Chair Kimberly Moore recognized T. Paul Dean and Kim Williams who have retired from the Board of Governors and thanked them for their service.

4. Modifications to the Agenda

Three modifications were made: Ron Miller requested acceptance of the FY 18/19 Attendance Report for the Board of Governors and requested that the Board acknowledge the efforts of Dominic DeMartino in assisting with the LCRDA's re-location from the Knight Building to the Collins Building. Dave Ramsay requested that at the next meeting the year-end financials: balance sheet, income statement, annual report on investments be presented outside the Consent Agenda.

5. Public Comment

Rick Meeker provide an explanation of the operations and status of Nhu Energy and FAASSTER and requested that the Board consider supporting his request to relocate the offices at a reduced rental rate.

6. Approval of Draft Meeting Minutes, August 1, 2019

Sonjoy Goswami offered a motion to approve the August 1, 2019 Board of Governors meeting minutes. Kevin Graham seconded the motion which passed unanimously.

7. Consent Agenda

- a. Treasurer's Report
- b. Monthly Financial Reports
 - i. July 2019

- ii. August 2019
- c. Investment Reports
 - i. July 2019
 - ii. August 2019

Ray Bye offered a motion to approve the Consent Agenda items. Kevin Graham seconded the motion which passed unanimously.

Kristin Dozier joined the meeting via telephone at 11:20am.

She reported on the 850 Hemp Summit held October 2, 2019 in the FSU Turnbull Center. Sen. Bill Montford supports starting a state hemp program as a way for the North Florida region devastated by Hurricane Michael to recover. Danny Persaud, of Danika Farms in Mayo, FL discussed establishing an Innovation Center for research and development in industrial hemp at Innovation Park. It could co-locate with an accelerator. Senator Montford supports a legislative appropriation request, due by Nov. 1, 2019, that would support the bricks and mortar portion of the center and a secondary programming component. Michel Tentnowski is meeting with Danny Persaud next week to discuss further. LCRDA staff can work to learn more detail and put together the information necessary for a funding request.

Kristin Dozier left the meeting at 11:45am.

Dave Ramsay offered a motion to direct staff to delve into the details, determine what the issues are, and provide a recommendation to the Executive Committee to review and approve the appropriation request before the Nov. 1, 2019 due date, so long as it does not create a distraction from the incubator process already underway. Ray Bye seconded the motion which passed unanimously.

8. Nhu Energy Lease—Ron Miller

Nhu Energy is currently leasing a total of 486 square feet in 3 offices in the Knight Building for \$641.88 per month. As a result of the relocation of LCRDA offices and the Authority's exploration of alternative uses for the Knight Building, the Authority has given notice to the tenant that it is exercising a lease provision requiring the tenant move to other space owned by the Authority upon 45 days' notice. The tenant was offered comparable 587 square feet (101 more square feet) in the Morgan Building at their same current monthly rate, and the Authority would pay for the cost to relocate.

The tenant requests it be allowed to relocate to a 1,280 square feet suite in the Morgan Building at the same current monthly lease rate for one year with the provision that if another tenant is found to lease the space, they would be given the option to: 1.) have the rent adjusted up to what it would be based on the current per square foot lease rate and stay in that space, 2.) downsize to other space at the current per square foot lease rate, 3.) or relocate. The tenant's proposal is reflected in the attached email.

The "incentives" requested by tenant exceed the Executive Director's authority to approve. The Executive Director requests the Board's direction in this matter given the following options:

- a. Authorize the Executive Director to enter into a lease with tenant based on the tenant's request as detailed above and pay for the cost of relocating the tenant.
- b. Authorize the Executive Director to enter into a lease with tenant based on tenant's preference of the following:

- i. Accept comparable Morgan Building space adjoining rooms 210, 211 and 212 which total 587 square feet at same monthly charge of \$641.88 and pay for the cost of relocating the tenant.
 - ii. Accept any available space the tenant desires in the Morgan Building at a charge of \$641.88 per month plus \$15.85 per square foot (current annual rate per square foot) greater than 587 square feet. Authority pays for cost of relocation.
 - iii. Remain in the Knight Building under current terms and conditions without the provision for breakroom and conference room furniture and equipment, copier, or internet. Tenant may remain until such time as alternate use of Knight Building is determined, or vacancy of the building is necessary to make such determination. At such time relocation is required, tenant would be required to accept either options (i) or (ii) above at the then current lease rates, or the lease would be terminated with 45 days' notice.
- c. Terminate the lease with 45 days' notice.
 - d. Other options as directed by the board.

After discussion, Ray Bye offered a motion to authorize the Executive Director to negotiate any of the incentives set forth, and not be bound by the 10 percent limit on his authority. Anne Longman seconded the motion which passed unanimously.

9. Property & Casualty Insurance Renewal

Staff requests approval of Brown and Brown's proposal to renew and bind property & casualty insurance with incumbent carriers at a total annual premium of \$55,278.42, an increase of \$2,320.99 (4.4%) over the prior year and reflects impact of hurricanes, an increase in property values and increased business income coverage due to rising lease income. In addition, staff request approval to add \$500,000 of Cyber Liability Coverage with an annual premium of \$661.08. The renewal policies are under the same terms and conditions. Consistent with the broker agreement the broker did seek proposals from competing carriers this year—that information is attached to the proposal.

After discussion Dave Ramsay offered a motion to approve the Brown and Brown proposal. Kevin Graham seconded the motion which passed unanimously.

10. Draft Budget FY 2019-2020

The Budget Committee was unable to meet due to the lack of a quorum. Staff requests board approval of the draft budget for fiscal year 2019-20. The attached narrative explains any significant changes to the budget from prior years.

After Ron Miller reviewed the budget narrative and noted a change to the draft budget related to rent income in the Knight building. Eric Holmes offered a motion to approve the draft budget for FY 2019-2020. Ray Bye seconded the motion which passed unanimously.

11. Funds Designated for Capital Projects—Ron Miller

As reported in the footnotes to the Authority's Audited Financial Statements, the Board of Governors previously designated unrestricted net position for future capital projects in the amount of \$1.4 million as well as designated cash and cash equivalents in the same amount. "Designated" funds and net position are "unrestricted" in that the designation is established by the Board to indicate the

intended use of funds, but that designation is subject to change by action of the Board. Staff requests the Board increase the amount designated to future capital projects to \$1.8 million to reflect the Board's formal commitment of matching funds toward the EDA grant.

Dave Ramsay offered a motion to increase the amount designated for future capital projects to \$1.8 million. Eric Holmes seconded the motion which passed unanimously.

12. Bank Resolution and other Financial Transactions Authorization

Staff requests the Board's adoption of the attached bank resolution authorizing the officers of the Board of Governors and the Executive Director to exercise the powers listed on the resolution, and approval for the current officers to execute any other forms necessary to perform credit card authorization, wire transfers and investment related transactions consistent with policies, procedures and bylaws of the Authority.

Ray Bye offered a motion to adopt the bank resolution. Anne Longman seconded the motion which passed unanimously.

13. Innovation Park Tallahassee, Inc. (IPTLH) Board Appointments

According to the IPTLH Bylaws, the Authority's Board has the right to appoint the majority of the IPTLH Board. Kim Williams, Vice President of IPTLH, resigned his position on the IPTLH Board effective August 28, 2019. David Ramsay, President of IPTLH, term as Chair of the Authority ends September 30, 2019. Staff recommends David Ramsay resign from the IPTLH Board effective upon the election of new Authority officers and that the new Authority officers be appointed to the IPTLH Board as follows Kim Moore, President and Eric Holmes, Vice President. April Salter remains Treasurer of the Authority Board, and Secretary/Treasurer of the IPTLH Board.

Ray Bye offered a motion to appoint the new Authority officers to the IPTLH Board of Directors.

14. Executive Director Annual Review—Kimberly Moore, Chair

The Employment Agreement with the Executive Director, as amended in 2015, requires in part: Paragraph 3(d), "On or before September 30th of each subsequent year, throughout the term of this agreement, the Authority will conduct an evaluation of the Employee's performance"; and, Paragraph 4(a)(iii), "On or before September 30th of each subsequent year, The Board of Governors shall provide adjustments to the Base Salary, based upon the Employee's performance evaluation and completion of goals and objectives, as set forth annually in advance and in writing by the Board of Governors, and agreed to by the Parties ("Merit Pay Adjustments"). Goals and objectives shall be specific, measurable, achievable, realistic, and timely in accordance with good goal setting practices."

A summary of board member evaluation responses, and the Executive Director's Salary History is attached. The 2019 Compensation Committee's "Conclusions and Recommendations" to the Board concluded the "Executive Director's compensation is in line with AURP salary range \$75,000 to \$174,999 considering similar geographic location, population and budget."

Dave Ramsay offered a motion to approve a \$5,000 base salary increase for the Executive Director, and a 4-percent increase for all other staff. Eric Holmes seconded the motion which passed unanimously.

15. Discussion of Executive Director Goals for 2019/2020—Kimberly Moore, Chair

Kimberly Moore will meet with Ron Miller to discuss the goals for FY19/20 and asked the Board members to share their comments. A monthly “At A Glance” will be provided by staff tracking all projects and messaging.

16. Chair’s Report

Meeting Schedule: Board members will advise the Chair which days are best for meetings.

17. Staff Reports

- a. Executive Director - Ron Miller reported that the Collins move is complete, and the trail construction is almost complete.
- b. Director of Entrepreneurship – Michael Tentnowski reported on the EDA Grant, North Florida Innovation Labs Update, SBIR/STTR, and FAST Grant Debrief.
- c. Director of Programs and Communications – Denise Bilbow reported on E-Club, Tech Topics, North Florida Innovation Labs, and website/support. The Collins Building Open House and ribbon cutting is Oct. 24, 2019.
- d. Property Manager – Stephanie Shoulet reported on non-routine repairs and maintenance.

18. New Business

Ray Bye noted that the Tallahassee International Airport should be part of the discussion at the next meeting. Michael Tentnowski asked for referrals for anyone seeking incubation space. Anne Longman noted that the Florida Secretary of State has a legislative budget request to build a facility to property house, preserve, and research historical artifacts owned by the State of Florida – this might be an opportunity for a proviso that adds that Innovation Park would be an optimal location.

19. Collins Building Tour

A brief tour will be provided after the meeting to anyone interested.

20. Adjourn

The meeting was adjourned at 12:58pm.

Upcoming Meetings and Events:

TechTopics: Robots that Walk and Run

Friday, October 11, 2019, 11:30am - 1:00pm

AME Main Lecture Hall

2003 Levy Avenue

e-Club

Bow Stern: Digital Marketing for Small Businesses

Tues, October 22, 2019, 5:30pm—7:30pm

Collins Building

2051 East Paul Dirac Drive

Collins Building Ribbon Cutting and Open House

Thursday, October 24, 2019, 3:00pm – 6:00pm

Collins Building

2051 East Paul Dirac Drive

Board of Governors Meeting

TBD