

North Florida Innovation Labs – Business Incubator

Innovation Park of Tallahassee is a research park with several extraordinary high technology resources available to the region. Located within the Park are the; Applied Superconductivity Center, Center for Advanced Aero-Propulsion, Center for Advanced Power Systems, Center for Biomedical & Toxicological Research, Center for Information Management & Educational Services, Center for Interactive Media, Center for Ocean & Atmospheric Prediction, Center for Plasma Science & Technology, Florida DOT Structures Research Center, High-Performance Materials Institute, Institute for Energy Systems, and several high-tech commercial ventures.

The Park is also the home of the NSF-funded National High Magnetic Field Laboratory (MagLab), the largest and highest-powered magnet lab in the world and the epicenter of most magnet research for the United States. Immediately adjacent to the Park is the joint university FAMU-FSU College of Engineering with 2,500 undergraduate and graduate students.

What is missing from the Park, however, is a business incubation/acceleration program and facilities. By building this resource, the Park will be able to offer a comprehensive assistance program with specialized equipment to foster entrepreneurial ventures. A 40,000 square foot high-tech incubator is proposed to be built on a vacant two-acre lot. The cost estimate is \$17M. Match funding will come from the Park itself, two universities, the City of Tallahassee and Leon County. The bulk of the funding will be sought through an EDA grant for \$10.2M. The private sector will also be contributing equipment, furniture, and in-kind services.

What makes this facility unique is that it will be specific to scientific discovery, engineering, and technology development. Planned are offices, wet and dry labs, light assembly areas, electronics lab, machine shop, cell culture lab, 3D printers, and more. The incubator will support moving university and entrepreneurial intellectual property into the marketplace. The program will be designed to assist individuals with business acumen, attracting serial entrepreneurs that license technology and start local companies, and enticing venture capital to the area by offering technologies that enhance their portfolio.

There will specific space set aside for SBIR/STTR (see <https://www.sbir.gov/about>) award winners, and a focus on training new applicants to best compete for SBIR/STTRs through an accelerator model. This effort should result in more research dollars coming into the state, while creating exceptional startup opportunities for technologists.

In early 2019, Innovation Park decided that incubation/acceleration services were in such demand that the rehabilitation of an existing building was necessary. The Collins building was chosen, and the rehab was paid for by Park reserve funds. The space includes ten offices, co-working space, conference/seminar rooms, a shared wet lab and a kitchen. Wet lab prospects and several offices inquires have already been identified.

Should the new incubator project be funded, the Collins building would then become graduation space for companies segueing out of the incubator and accelerator programs. The availability of this space allows locally grown companies to continue employing area talent, while providing the infrastructure necessary to keep companies in the region.

Regional Programs

Hurricane Michael was the third major storm to affect the Florida Panhandle in the last three years. With an estimated \$1.5 Billion in damage to commercial forestry and other agriculture, its effects emphasize the importance of resilient urban hubs which support sectors less vulnerable to major storms. Companies in counties that surround Tallahassee (within a 60-mile radius) will benefit from a hardened business facility that allow continuity and recovery from a disaster.

A chronic lack of product development space and access to venture capital continue to cause avertible business losses in the North Florida region. A dearth of space and capital has led to or threatened the relocation of many regional high technology firms over the past two years, along with high wage employment being exported.

The Innovation Park incubator is designed to accomplish three major resilience building goals:

1. Support commercialization of hurricane-resistant industries;
2. Attract new venture capital that renders the region more economically resilient;
3. Provide space for specialized continuity of operations during future disaster events.

This project will provide critical infrastructure that directly supports an expansion of an innovation-centric economy. The building's redundant power supply will showcase regional research in sustainable advanced power system and allow it to act as a business continuity hub if the electric utility supply falters. The project will add a building block within the startup ecosystem that permits high-growth MedTech, Magnetics, Semiconductors, Aerospace, Synthetics, and Chemical Manufacturing to flourish.

Affected Region

The incubator will be located at Innovation Park of Tallahassee in Florida's northern most region. The region consists of the contiguous nine counties of Calhoun, Franklin, Gadsden, Gulf, Jackson, Jefferson, Leon, Liberty, and Wakulla. In addition to the state capital, Tallahassee is home to Florida State University (FSU), Florida A&M University (FAMU), and Tallahassee Community College (TCC).

Although Tallahassee is generally prosperous, it has significant disadvantaged urban areas. Innovation Park is within a SBA Qualified HUBZone, and there are high levels of economic distress in surrounding rural counties of the project region as well. Two counties (Jefferson, Liberty) rate "low" on the *Capacity for Innovation* scale, while three counties (Calhoun, Gadsden, Gulf) rate "very low."

Parts of six counties in the region have Opportunity Zone status, denoting that they are low-income communities eligible for unique capital investments. These Zones are targeted for entrepreneurial engagement and employee recruitment for companies located at the Park. Within thirty miles, there are an additional four Zones that are also attractive for prospecting and recruitment. At sixty miles (the limit of reasonable commuting distance to the Park) there are ten more Opportunity Zones from which to draw from.

The region also consists of seven counties in Florida's Northwest Rural Areas of Opportunity (RAO). These are defined as rural communities, or a region composed of rural communities, that have been adversely affected by extraordinary economic events or natural disasters. RAO counties include; Calhoun, Franklin, Gadsden, Gulf, Jackson, Liberty, and Wakulla.

It is apparent that regional economic prosperity is linked to an area's ability to prevent, withstand, and quickly recover from major disruptions to its economic base. In the context of economic development, economic resilience becomes inclusive of three primary attributes: the ability to recover quickly from an event, the ability to withstand an occurrence, and the ability for avoidance altogether. Establishing a business incubator give the region the ability to anticipate risk by offering office and labs space to disrupted businesses after a disaster. The loss of affected scientific and engineering businesses would constitute a critical component of the region's economic activity.

Most of the region does not return to levels of jobs, population, county gross domestic product, or combined personal income projected to otherwise occur without hurricanes. Nearly 40 percent of small businesses that close due to a disaster event never re-open. Many counties in the region are already suffering from the effects of long-term economic stagnation, and threats to its infrastructure, economy, and human capital from tropical storms and hurricanes just adds to anguish.

The addition of a high-tech business incubator will help to promote a positive vision for the region. Innovation Park is undertaking efforts to broaden the industrial base with diversification initiatives, such as targeting the development of emerging clusters. These clusters will build on the region's unique assets and competitive strengths in science and engineering. This also provides stability during downturns that disproportionately impact any single cluster.

Measuring the economic resilience of a region is by the degree of regional income equality and the degree of regional economic diversification. The incubator service region suffers from a large income gap across the population. Efforts will be made to include workforce training initiatives to address closing the gap. With the move to promote more of an innovation economy away from the reliance of government and academia, the Park is diversifying the commercial employment opportunities for the region.

The shift in the U.S. economy from heavy industry to high-technology business is reflected in the economy of Florida as well. Traditional manufacturing jobs are decreasing while Life and Health Sciences, Information Technology, Agribusiness, Advanced Engineering and other technology disciplines continue to prosper. Florida is also experiencing a "brain drain" as many of its college graduates in Science/Engineering leave the state after graduation.

This project will create new, high quality jobs and support spinouts into the regional community and will contribute to the North Florida economy. It will provide opportunities for students who may intern, work or provide services to member companies, and gives students the opportunity to find gainful employment after graduation. The incubator allows faculty from both universities a place to consult with businesses and will give them the opportunity to germinate their own ideas into successful companies.