

Leon County Research and Development Authority
Board of Governors Meeting
Collins Building
2051 East Paul Dirac Drive
Tallahassee, FL 32310

September 13, 2021
10:00am to 11:00am

Minutes

Members in Attendance In-Person: Kimberly Moore, Keith Bowers, Ray Bye, John Dailey, Kevin Graham, Anne Longman.

Members in Attendance Virtually: Kristin Dozier, Eric Holmes, Dave Ramsay.

Members Not in Attendance: Tom Allen.

Guests: Melissa VanSickle, Nelson Mullins Broad & Cassel; Ron Miller, Bill Lickson, Karen Thurston-Chavez, Peggy Bielby, LCRDA Staff.

1. Call to Order

Kimberly Moore called the meeting to order at 9:59am.

2. Approval of Participation by Electronic Means

In accordance with the Bylaws, there being a quorum of members present in person, the members of the Board present in person are required to approve participation by those participating via Electronic Means acknowledging that the COVID-19 pandemic constitutes extraordinary circumstances.

Ray Bye offered a motion to approve participation by electronic means. Anne Longman seconded the motion which was approved unanimously with Kristin Dozier, Eric Holmes, and Dave Ramsay not voting.

3. Modifications to the Agenda

None.

4. Public Comment

None.

5. North Florida Innovation Labs (NFIL) Funding

a. U.S. Department of Commerce Economic Development Administration (EDA) Grant Increase

The Authority previously received an EDA award for approximately \$10.2 million for the development of the North Florida Innovation Labs (NFIL), in addition to \$6.8 million in matching funds. Currently, development costs for the facility exceed available funding by an estimated \$6.2 million including significant contingencies for changes in costs due to supply chain and labor shortages brought on by the COVID pandemic. Actual development costs won't be known until the construction bids are received, which is currently scheduled for February 2022. Staff is pursuing several options, which have previously been presented to the Board, to fund a potential shortfall.

The EDA has agreed, subject to application and award, to increase its funding under our current award by \$2,182,661. The increased award requires a 20% match of \$545,665 for total increased funding of \$2,728,326. The FSU Research Foundation has agreed to increase its matching fund

pledge by \$100,000. Additional matching funds are being pursued by staff. Application to the EDA is required to be completed by September 13, 2021.

Executive Director requests approval to apply for, and execute award documents related to, an increased grant award from the EDA in the amount of \$2,182,661 for the NFIL project, and approval for the Authority to pledge additional matching funds of \$445,665 from the Authority's invested reserves until such time as substitute matching funds can be identified and pledged.

Kristin Dozier offered a motion to apply for and execute the award documents related to the increased EDA grant award and to pledge the additional LCRDA matching funds. Anne Longman seconded the motion which passed unanimously.

b. Office of Economic Vitality MOU Spending Plan—Use for EDA Award Matching Funds

On December 1, 2020, The Authority entered into a Memorandum of Understanding with the Tallahassee Leon County Office of Economic Vitality (OEV) Concerning Investment in Asset Maximization and Readiness to Attract Businesses to Innovation Park (MOU) as a result of the Authority's leasing of land for expansion to a Company. The MOU requires OEV to pay the Authority \$805,000 in three installment payments not earlier than the completion of certain milestones, or March 31 of each of the years 2021, 2022, and 2023. The first milestone to pay \$268,500 is the groundbreaking by the Company, the second milestone to pay \$268,500 is the issuance of a Certificate of Occupancy (CO), and the third milestone to pay \$268,000 is 12 months after the issuance of the CO.

Section 3.01 of the MOU provides for the submission of a spending plan, prior to the disbursement of funds, outlining the tasks to be performed including certain approved tasks such as "tasks necessary to make Innovation Park desirable for businesses to locate or grow within the park." The MOU further provides "By mutual agreement of the Parties by amendment to this MOU, tasks not specifically listed above will be permitted that are consistent with the goals and objectives identified in (i) the Economic Development Strategic Plan for Tallahassee-Leon County adopted by OEV; and (ii) the LCRDA strategic plan at Innovation Park, both as may change from time to time and approved by their respective Boards." Development of the North Florida Innovation Labs makes Innovation Park desirable for businesses to locate or grow and is consistent with the goals and objectives in the strategic plans for both OEV and the Authority.

The Authority's Budget Committee has recommended approval of staff's spending plan for the first milestone payment, subject to approval by the Board and OEV, which includes funding for renovation of office spaces to make them more leasable and funds for marketing. Staff recommends the second milestone payment of \$268,500 be designated for use as matching funds for the EDA grant's increased funding.

Executive Director requests authorization to submit to OEV for its approval a spending plan for the 2nd of three installment payments required according to the MOU, in the amount of \$268,500 to use as matching funds for the increased EDA grant award, and if necessary, to execute an amendment to the MOU agreeing to the use of the funds for this purpose.

After discussion Dave Ramsay offered a motion to authorize the Executive Director to submit the spending plan to OEV and amend the Memorandum of Understanding with OEV if necessary. Ray Bye seconded the motion which passed unanimously.

6. New Business

None.

7. Adjourn

The meeting adjourned at 10:13am.