

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

Collins Building
2051 East Paul Dirac Drive
Tallahassee, FL 32310

December 7, 2023
11:00am to 1:00pm

Wi-Fi: INVP – Guest
Innovate2051

Agenda

Anyone wishing to submit written comments may do so by 9:00am the day before the scheduled meeting date so that the comments can be distributed to the Board. Comments submitted after this time (up to the time of the meeting) will be accepted and included in the official record of the meeting. Email comments to: publicinput@inn-park.com and reference the meeting title and date in the subject line. Include your name and contact information. All times are approximate.

1. Call to Order

2. Introduction of Guests

3. 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 absence is due to extraordinary circumstances.

4. Modifications to the Agenda

5. Public Comment

Any public comment received prior to the meeting will be provided to the Board members in addition to any in-person public comment.

6. Approval of Draft Meeting Minutes, October 5, 2023 (Attachment A)

7. Consent Agenda

- a. Audit Committee Report – November 2, 2023 (Attachment B)
- b. IPTLH Board of Directors Report – November 9, 2023 (Attachment C)
- c. Investment Advisory Committee Report – November 15, 2023 (Attachment D)
- d. Executive Committee Report – November 16, 2023 (Attachment E)
- e. Investment Reports

- i. September 2023 (*Attachment F1*)
- ii. October 2023 (*Attachment F2*)

~END OF CONSENT AGENDA~

8. Treasurer’s Report—David Ramsay

- a. Treasurer’s Summary Report (*Attachment G*)
- b. Financial Reports:
 - i. FY ending Sept. 30, 2023
 Link: <https://innovation-park.com/wp-content/uploads/2023/10/9.23-Monthly-Report-Innovation-Park.pdf>
 - ii. October 2023
 Link: <https://innovation-park.com/wp-content/uploads/2023/11/10.23-Monthly-Report-Innovation-Park.pdf>
- c. FY2023-24 Annual Budgets LCRDA & NFIL (*Attachments H1 and H2*)
- d. Proposed Liquidation of SPIA Account

Treasurer David Ramsay will present his report to the Board and supporting financial reports.

9. NFIL and IPTLH Update – Michael Kramer and Bill Lickson

- a. Construction Status & Change Orders
- b. TCC Appropriation – FF&E, IT, AV, Equipment
- c. Insurance & Utilities
- d. EDA – Lease Language & Rates
- e. Website

10. LCRDA Update – Michael Kramer

- a. Innovation Park Background Paper (*Attachment I*)
- b. LCRDA Building and Leasing Updates
- c. OEV Juggernaut
- d. FAMU and FSU Update (*Attachment J*)

11. Chair’s Report – Kevin Graham

12. New Business

13. Adjourn

Upcoming Meetings

Executive Committee Meeting Thursday, January 18, 2024 11:00am – 1:00pm	Board of Governors Meeting Thursday, February 1, 2024 11:00am – 1:00pm
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*Fiscal Year 2023-2024
 Board of Governors Meeting Dates
 First Thursday of Every Even Numbered Month*

11:00am – 1:00pm

October 5, 2023

December 7, 2023

February 1, 2024

April 4, 2024

June 6, 2024

August 1, 2024

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

October 5, 2023
11:00am to 1:00pm

DRAFT Minutes

Members in Attendance In-Person: Kevin Graham, Tom Allen, Dave Ramsay, Brian Bautista, Ray Bye, Shawnta Friday-Stroud, Anne Longman, Rick Minor.

Members in Attendance by Electronic Means: None.

Members Not in Attendance: John Dailey, Jessica Griffin, Eric Holmes.

Guests: Andrew Chin, FAMU Interim Dean: School of Architecture + Engineering Technology; Stephanie Shoulet, NAI Talcor; Michael Kramer, Bill Lickson, Ayne Markos, Peggy Bielby, LCRDA Staff.

1. Call to Order

Chair Kevin Graham called the meeting to order at 11:05am.

2. Introduction of Guests

All present introduced themselves.

3. Approval of Participation by Electronic Means

As no members were in attendance by electronic means, no approval was necessary.

4. Modifications to the Agenda

Kevin Graham requested to add a review of Michael Kramer's employment agreement at Item 12.f.

5. Public Comment

None.

6. Approval of Draft Meeting Minutes, August 3, 2023

Dave Ramsay offered a motion to approve the draft minutes. Tom Allen seconded the motion which passed unanimously.

7. Consent Agenda

- a. Executive Committee Reports – August 31, 2023 and September 21, 2023
- b. Development Review Committee Report – September 12, 2023
- c. IPTLH Board of Directors Report – September 14, 2023
- d. Investment Reports

- i. July 2023
- ii. August 2023
- e. Board of Governors Attendance Report for FY 2022-2023 as required by Section 1.9 of the Authority Bylaws
- f. LCRDA Annual Property Inventory Guidelines - Executive Committee requests ratification of its approval of the Guidelines
- g. General Counsel Legal Services Contract Amendment – Executive Committee requests ratification of its execution of the Eighth Amendment to Contract for Legal Services which continues the existing rate for two more years, terminating Sept. 30, 2025.
- h. Johnson HVAC Replacement – Executive Committee requests ratification of its decision to replace the failing 1998 HVAC unit in the Johnson Building at an estimated cost of up to \$43,000.
- i. Morgan Lease – Executive Committee requests ratification of its approval of a lease with CIMES and Rider in the Morgan Building for 835sf of storage on the second floor: \$1000/month for 6 months with two possible 6-month renewals.

~END OF CONSENT AGENDA~

Anne Longman offered a motion to approve the consent agenda items with direction that staff provide updates to the Board on the status of legal services payments. Ray Bye seconded the motion which passed unanimously.

8. Treasurer’s Report—David Ramsay

- a. Treasurer’s Summary Report
- b. Monthly Financial Reports:
 - i. July 2023
 - ii. August 2023

Treasurer David Ramsay presented his report to the Board and reviewed the supporting financial reports. *Dave Ramsay offered a motion to approve the Treasurer’s Report. Ray Bye seconded the motion which passed unanimously.*

9. Fiscal Year 2023-2024 Draft Budgets – Michael Kramer

Staff prepared draft budgets for FY 2023-2024 for both Leon County R&D Authority and for North Florida Innovation Labs which were previously approved by the Board of Governors at the August 3, 2023 meeting. Since that meeting staff revised the LCRDA budget to include an additional \$10,000 for property and casualty insurance and increased projected capital expenditures from \$200,000 to \$350,000 because of HVAC unit replacements. Staff requests the Board adopt the amended LCRDA budget.

Dave Ramsay offered a motion to adopt the amended budget. Rick Minor seconded the motion which passed unanimously.

10. Property & Casualty Insurance Renewal – Michael Kramer

Executive Committee requests ratification of its approval of the Brown and Brown proposal with an annual premium of \$65,000.

Tom Allen offered a motion to ratify the approval. Anne Longman seconded the motion which passed unanimously.

11. NFIL and IPTLH Update – Bill Lickson

- a. Leasing Leads
- b. FF&E Process
- c. Website
- d. TCC Appropriation

Bill Lickson reported he has provided several tours of the new lab and has serious prospects. The LCRDA and Innovation Park websites are being separated to better define the identity of each entity. The \$1.5 million appropriated funds are expected to be available soon, after which orders will be executed, using state contracts, as soon as practicable.

12. LCRDA Operational Update – Michael Kramer

- a. FAMU and FSU Update
- b. ACH Incident
- c. NFIL Change Order Update
- d. Fuqua Research Complex Elevator Status
- e. LCRDA Building and Leasing Updates
- f. Interim Executive Director Agreement

Michael Kramer reported that FAMU and FSU have both provided letters identifying the real properties in which they are each interested. General Counsel Melissa VanSickle is drafting a Memorandum of Understanding reflecting the mutually agreed upon terms of the assignment of the balance of the leasehold property. Surveyors are confirming the parcels and common areas. He reviewed the ACH incident involving the Culpepper email hacking, the change order and elevator renovation status, and leasing updates.

Dave Ramsay requested a report on the status of the agreement with Opus Partners at the next meeting.

Tom Allen offered a motion to extend the term of Michael Kramer's agreement for an additional six months with an end date of June 30, 2024. Rick Minor seconded the motion which passed unanimously.

Shawnta Friday-Stroud left the meeting at 12:20pm.

13. Chair's Report – Kevin Graham

None.

14. New Business

Rick Minor reported on the status of the Blueprint Airport Gateway project.

15. Adjourn

The meeting was adjourned at 12:40pm.

**Leon County Research and Development Authority
Audit Committee Meeting**

Collins Building
2051 East Paul Dirac Drive
Tallahassee, FL 32310

Thursday, November 2, 2023
10:00am to 11:00am

Report

Members in Attendance: Ray Bye (Chair), Shawnta Friday-Stroud, Eric Holmes, Dave Ramsay (Non-voting).

Members not in Attendance: Brian Bautista.

Guests: Allison Harrell, Chandler Russell, Thomas Howell Ferguson, CPA; Kristy Wicker, NAI Talcor; Michael Kramer, Ayne Markos, Peggy Bielby, LCRDA.

1. Call to Order

Ray Bye called the meeting to order at 10:07am.

2. Introduction of Guests

All present introduced themselves.

3. Approval of Participation by Electronic Means (if needed)

As a quorum was present in person no approval was needed.

4. Agenda Modifications

None.

5. Public Comment

None.

6. Approval of the March 9, 2023, Audit Committee meeting minutes

Eric Holmes offered a motion to approve the meeting minutes. Shawnta Friday-Stroud seconded the motion which passed unanimously.

7. Review of Audit Committee Charter

The committee reviewed Audit Committee Charter, roles, and responsibilities as required by the Bylaws. The committee agreed no changes were needed at this time.

8. Audit Planning Discussion

Allison Harrell discussed the audit planning process, the audit schedule and timing, any significant changes in operations and procedures, special audit risks, potential issues identified by accounting staff and management, and any other pre-audit concerns by the Audit Committee or the auditor. Last year was the first time a single audit was performed. This year GASB 96 is not expected to be an issue for the LCRDA. The most significant risks they look at, test, and address in every audit are internal controls and fraudulent revenue recognition.

The risk assessment process is very intense. There are many risks with different line items, and they look at the financial statements line by line. The impact of the construction process over the past year falls under compliance risk because of the federal grant funding. No significant non-compliance was found in last year's single audit. The single audit will include any federally funded grant programs. The auditors look at all the federally funded grants and determine, based on the amounts received and associated risks, which are the "major programs." They then test those major programs and are also required to test a certain percentage of expenditures of all federal grants, which also goes into the calculation of determining which programs they test.

9. Inventory Guidelines

The committee reviewed the guidelines approved by the Board of Governors.

10. Audit Schedule

Allison Harrell and Michael Kramer reviewed the schedule.

11. New Business

None.

12. Adjourn

The meeting was adjourned at 10:21am.

Next Audit Committee Meeting
Thursday, March 7, 2024
(Tentative)

Innovation Park TLH, Inc.
DBA North Florida Innovation Labs
Board of Directors Meeting
Collins Building
2051 East Paul Dirac Drive
Tallahassee, FL 32310

November 9, 2023
11:00am – 12:00pm

Report

Members in Attendance: Kevin Graham, Michael Kramer, Bill Lickson, Ayne Markos.

Members Not in Attendance: None.

Guests: Peggy Bielby, LCRDA staff.

1. Call to Order

Kevin Graham called the meeting to order at 11:00am

2. Introduction of Guests

All present introduced themselves.

3. Approval of Draft Meeting Minutes – September 14, 2023

Michael Kramer offered a motion to approve the meeting minutes. Kevin Graham seconded the motion which passed unanimously.

4. Construction Status – Michael Kramer & Bill Lickson

The building is close to completion: November – December 2023 as of now. Landscaping, cleaning, underway, but numerous inspections still need to happen. Upon “substantial completion” utilities, insurance and other costs shift from the builder to us, and we can safely occupy and operate the building. “Final completion” and the official certificate of occupancy come next. If turnover occurs Jan. 1, 2024, we will continue taking deliveries, overseeing the punch list, installations, inspections, etc. for several weeks. Staff and training will be needed, including someone on-call 24/7. Dean De wants to take over Collins as soon as possible, and Collins lab tenants are interested in moving to the new lab. Bill has advised OEV of the critical need for graduation space.

5. Revised Budget and Related Change Orders – Michael Kramer & Bill Lickson

a. \$127k in Change Orders

Change orders are \$127,000 including the new shades and more change orders are anticipated for approximately \$100,000 additional. For the FSU \$1million line of credit, interest payments are not due until one year after the CO, approximately January 2025.

6. Operational Plans, Needs and Tracking – Bill Lickson

- a. Receiving Lab Building and Installed Equipment and Systems
- b. Staff Training and Documentation
- c. Policies and Procedures Documents
- d. Bookkeeping & Accounting for IPTLH
- e. Inventory Systems and Tagging – IPTLH & LCRDA
- f. LCRDA & IPTLH Services and Expense Tracking – Janitorial, Landscaping, Equipment Installation & Maintenance, Other Services
- g. 24/7 Lab “On-call” Systems & Process

Bill reviewed the dual inventory systems that will be needed to delineate LCRDA and IPTLH ownership of the building contents. Hiring will also require life safety and equipment training, and he is obtaining lab policies and procedures from FSU and others. Training is needed to mitigate liability and protect the equipment. Services will be limited in the near term. Build to Scale grant funds can be used to hire operational personnel.

7. Furniture, Fixtures & Equipment – Bill Lickson

- a. TCC update, Timing, and Process
- b. Purchasing Policy Approval
- c. Purchasing Approvals and Plans
- d. Installation, Inspections, Operations Training, and Maintenance Needs
- e. Life Safety Requirements Related to Building and Specific Equipment

As soon as the initial TCC appropriation funding is available we will place the FF&E orders which require 50 percent deposits. Internet is the next highest priority and then access control. The AV costs have been significantly reduced by minor adjustments to the AV in the secondary conference rooms. Lab equipment will be the last items to order, including items needed for BSL2 certification. Shop and prototyping equipment are the lowest priority. The remaining appropriation funds will become available on a monthly basis until June 2024.

8. Draft Operative Documents in process – Michael Kramer

- a. Membership Agreements and Lab-related Attachments
- b. Required Approvals by EDA - Draft Lease, Rate Sheet

Michael reported we have a draft membership agreement for the lab and rate sheet which the EDA must approve. Russ Lentz, Associate General Counsel in the Office of Research, should review the drafts now too. Bill is also getting similar documents from other universities for reference.

9. Lab Prospects – Bill Lickson

- a. Seafood Testing Company with Potentially FSU-Licensed Tech
- b. New Jersey-based Nutrition Ingredient Testing Company with Local Employees
- c. Plant Cell Culture Company
- d. Early-Stage Company Interested in Algae Production for Clothing Dyes
- e. Mag Corp (Maybe Office & Lab)
- f. 2-4 Current Lab & Office Members

Bill reviewed the prospective tenants who are most interested in joining the lab.

10. 2023-2024 IPTLH Budget – Bill Lickson

Cash Preparation, Estimated Timing, and Logistics

- a. December Expenses – Internet, Insurance, Utilities
- b. November/December 2023– Purchase Access Control, IT Equipment, Software (Proximity, Door & Camera Controllers) and Installation Services
 - i. As Soon as Funded via State Appropriation– Furniture Package, Lab Equipment, AV and Other Miscellaneous Equipment and Installation

Bill reported that spending will begin soon as the initial expenses begin or are shifted to us. The monthly utility bill is expected to be \$30k per month based on the experience at Sid Martin. The original budget significantly underestimated the expense. He will investigate obtaining a reduced government rate from the City.

11. NFIL Recruiting Status – Bill Lickson

- a. LCRDA Employees & Open Positions

We will need staffing to receive and locate/install FF&E, and we will need to determine the Build to Scale positions. Kevin Graham noted it would be ideal if the Board of Governors could review and approve the signed MOU at the Dec. 7, 2023 meeting. Bill is determining if there is precedent for EDA overseeing an asset transfer like this one. Greg Vaday could provide consulting advice about the experience. The goal is to maintain the purpose of the facility, make it turnkey, and make it sustainable going forward.

12. New Business

None.

13. Adjourn

The meeting adjourned at 12:01pm.

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

Collins Building
2051 East Paul Dirac Drive
Tallahassee, FL 32310
Wednesday, November 15, 2023
10:30am – 11:30am

Report

Members in Attendance: Chair Anne Longman, Tom Allen, James Campbell.

Members not in Attendance: William Guidice, Kimberly Wilder (non-voting).

Guests: Michael Kramer, Peggy Bielby, LCRDA Staff.

1. Call to Order

Anne Longman called the meeting to order at 10:30am.

2. Introduction of Guests

All present introduced themselves.

3. Modifications to the Agenda

None.

4. Public Comment

None.

5. Approval of Draft Meeting Minutes – February 26, 2021

Tom Allen offered a motion to approve the meeting minutes. Anne Longman seconded the motion which passed unanimously.

6. Annual Review of Investment Advisory Committee Charter

The committee reviewed the Investment Advisory Committee (IAC), assessed its adequacy, and determined that no changes were needed at this time.

7. Annual Review of Investment Policy

In accordance with the IAC Charter requirements, the committee reviewed the Authority's investment policy, objectives, and guidelines, including risk tolerance, and agreed that it has no recommendations for additions, deletions, or modifications at this time.

8. Review of Committee Membership Status and Waiver of Past Annual Reviews

Staff requests the IAC acknowledge the implied resignation of members who have not attended an IAC meeting since FY 2018-19 and waive the lack of committee meetings in FY 2021-22 and FY 2022-23.

Tom Allen offered a motion to acknowledge the resignations and waive the lack of meetings, noting that during this time period no changes were made to the investments. Jim Campbell seconded the motion which passed unanimously.

9. Investment Performance

Michael Kramer reviewed the performance and investment yields of Florida PRIME (The Local Government Surplus Funds Trust Fund) and SPIA (Florida Treasury Special Purpose Investment Trust). Liquidity needs related to funding the NFIL project were also discussed.

10. Budget FY 2023-2024

Michael Kramer reviewed the Authority budget and cash position by Sept. 30, 2024 assuming no sponsorships and grants. He also reviewed the Authority discussions with FSU and FAMU regarding the assignment of the remaining properties.

11. Update Committee on the Reallocation Among Investment Accounts to Provide Improved Liquidity

Michael Kramer reported he has moved \$245,000 from SPIA to PRIME to take advantage of higher rate of return and increased liquidity. He plans to liquidate the balance in SPIA into PRIME as soon as possible.

12. New Business

None.

13. Adjourn

The meeting was adjourned at 10:54am.

Leon County Research & Development Authority

Executive Committee Meeting

Collins Building
2051 East Paul Dirac Drive
Tallahassee, FL 32310
Thursday, November 16, 2023
11:00am – 1:00pm

Report

Members in Attendance: Chair Kevin Graham, Tom Allen.

Members in Attendance by Electronic Means: David Ramsay.

Members Not in Attendance: None.

Guests: Michael Kramer, Bill Lickson, Ayne Markos, Peggy Bielby, LCRDA Staff.

1. Call to Order

Kevin Graham called the meeting to order at 11:00am.

2. Introduction of Guests

All present introduced themselves.

3. Approval of Participation by Electronic Means

Tom Allen offered a motion to approve participation by electronic means. Kevin Graham seconded the motion which passed unanimously with Dave Ramsay not voting.

4. Modifications to the Agenda

None.

5. Public Comment

None.

6. Approval of Draft Meeting Minutes – September 21, 2023

Without objection Kevin Graham approved the draft minutes.

7. Treasury Report

Dave Ramsay reviewed the financials through September 30, 2023 and noted that the LCRDA lost \$325,000 for the FY against a budgeted loss of \$667,000.

8. IPTLH/NFIL

- a. Estimated Completion Date & Change Orders
- b. Appropriation
- c. FF&E
- d. Leasing Updates
- e. Website

Michael Kramer reported that, at this time, lab completion is expected sometime late December or early January 2024. Changes orders are expected to total +/- \$230,000 Which does include the window shades. We do anticipate a lengthy punch list and multiple issues that will need to be addressed even after the lab is turned over. Once Substantial Completion is determined, , the insurance and utilities shift from Culpepper to us. TCC appropriation has not been received but should happen very soon. Once the funds are available, it will be used for the required deposits on FF&E, AV, access control, and IT. A few changes in the AV options have yielded reduced bids. Bill Lickson reported that there is a lot of interest, primarily in wet lab spaces. The EDA has yet to approve the membership agreements and rates as required. There is a clear need for graduation space. Website upgrades continue.

9. LCRDA

- a. FAMU/FSU Updates – MOU, Updated Legal Descriptions & Maps, EDA
- b. Elevator Status

We are working on the MOU; FSU has reviewed an initial rough and provided feedback. Once our counsel reviews, we will share with FAMU and FSU for additional comment. Kevin Graham noted that the initial review was conducted by Dustin Dailey, FSU Office of General Counsel, who has professional experience with the Florida Department of Environmental Protection. DEP's Division of State Lands serves as staff to the Board of Trustees of the Internal Improvement Trust Fund. Michael Kramer reported that SAM (formerly Allen Nobles) is clarifying the properties and assets being reassigned and affirming the parcel descriptions map and legal descriptions so that it is clear which parts of the 208 acres total were conveyed in 1991 (MagLab 23.5 acres), in 2013 (FSU/FAMU +/-80 acres), and the remainder, including common areas, roads, ponds, etc. Bill Lickson explained that EDA will have to review the plan as it relates to NFIL, as well as any modifications to the Build to Scale grant. Michael Kramer reported the Morgan Building elevator work is complete and the Johnson elevator work is beginning in December.

10. New Business

Dave Ramsay reported he is working on setting up tours for key community members to tour the lab. Bill Lickson is working with him on scheduling.

Kevin Graham noted the next Board of Governors meeting is Dec. 7, 2023 and is hopeful to have the MOU ready for Board approval.

11. Adjourn

The meeting adjourned at 11:28am.

LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY

INVESTMENT PORTFOLIO

For period ending September 30, 2023

For the Month:

<u>SECURITY OWNED</u>	<u>BALANCE BOM</u>	<u>EARNINGS</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE EOM</u>	<u>YIELD</u>
FL PRIME	\$ 682,724.47	\$ 3,135.54	\$ -	\$ -	\$ 685,860.01	5.588%
SPIA *	608,827.40	1,151.19	-	-	609,978.59	2.301%
	<u>\$ 1,291,551.87</u>	<u>\$ 4,286.73</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,295,838.60</u>	<u>4.038%</u>

For the Fiscal Year Beginning October 1:

<u>SECURITY OWNED</u>	<u>BALANCE BOP</u>	<u>EARNINGS</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE EOP</u>	<u>YIELD</u>
FL PRIME	\$ 653,818.65	\$ 32,141.36	\$ -	\$ 100.00	\$ 685,860.01	4.811%
SPIA	1,397,029.45	13,049.14	-	800,100.00	609,978.59	1.937%
	<u>\$ 2,050,848.10</u>	<u>\$ 45,190.50</u>	<u>\$ -</u>	<u>\$ 800,200.00</u>	<u>\$ 1,295,838.60</u>	<u>2.204%</u>

Investments Designated for Capital Projects (North Florida Innovation Labs)	\$ -
Investments Held to Meet Contractual Requirements (OEV MOU)	\$ 231,082.00
Undesignated Investments	\$ 1,064,756.60
SPIA Available Balance (see security description for minimum balance requirements)	\$ - *

* SPIA reporting has been delayed--earnings for the month and available balance amounts estimated
 SPIA has approved for 11/10/22 an \$800,000 "emergency withdrawal" (beyond available balance), to cover additional NFIL funding requirements, and to pay for costs of elevator refurbishment

NOTABLE ADDITIONS OR DEDUCTIONS TO ACCOUNTS:

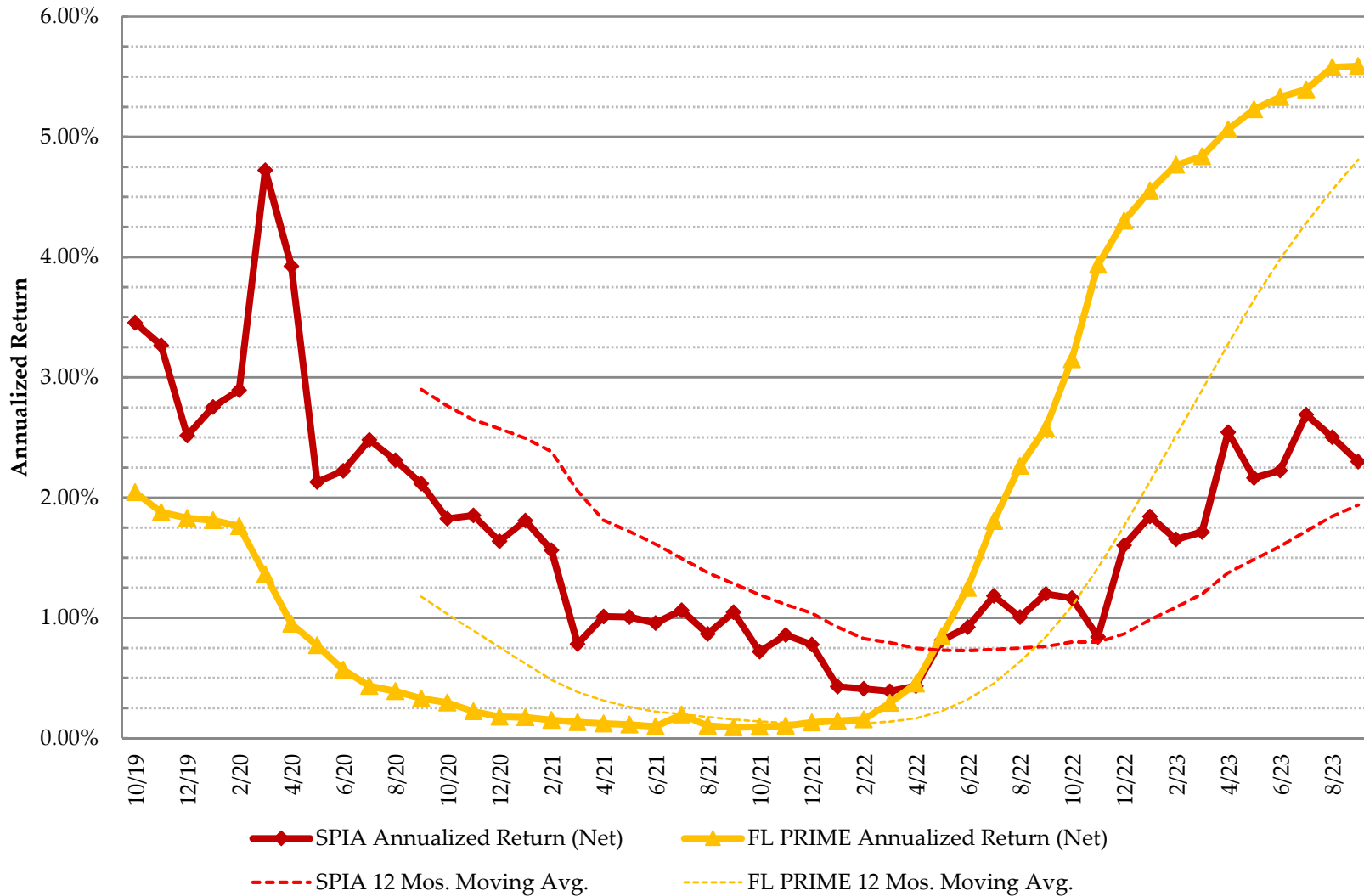
- 7/22 Withdraw \$175,000 of OEV MOU funds for Collins Renovation and marketing expenses
- 9/22 Withdraw \$1,300,000 total from both accounts to pay contribution to NFIL Project
- 11/22 Withdraw \$800,000 total from both accounts to pay contribution to NFIL Project

Note: Security descriptions shown on reverse

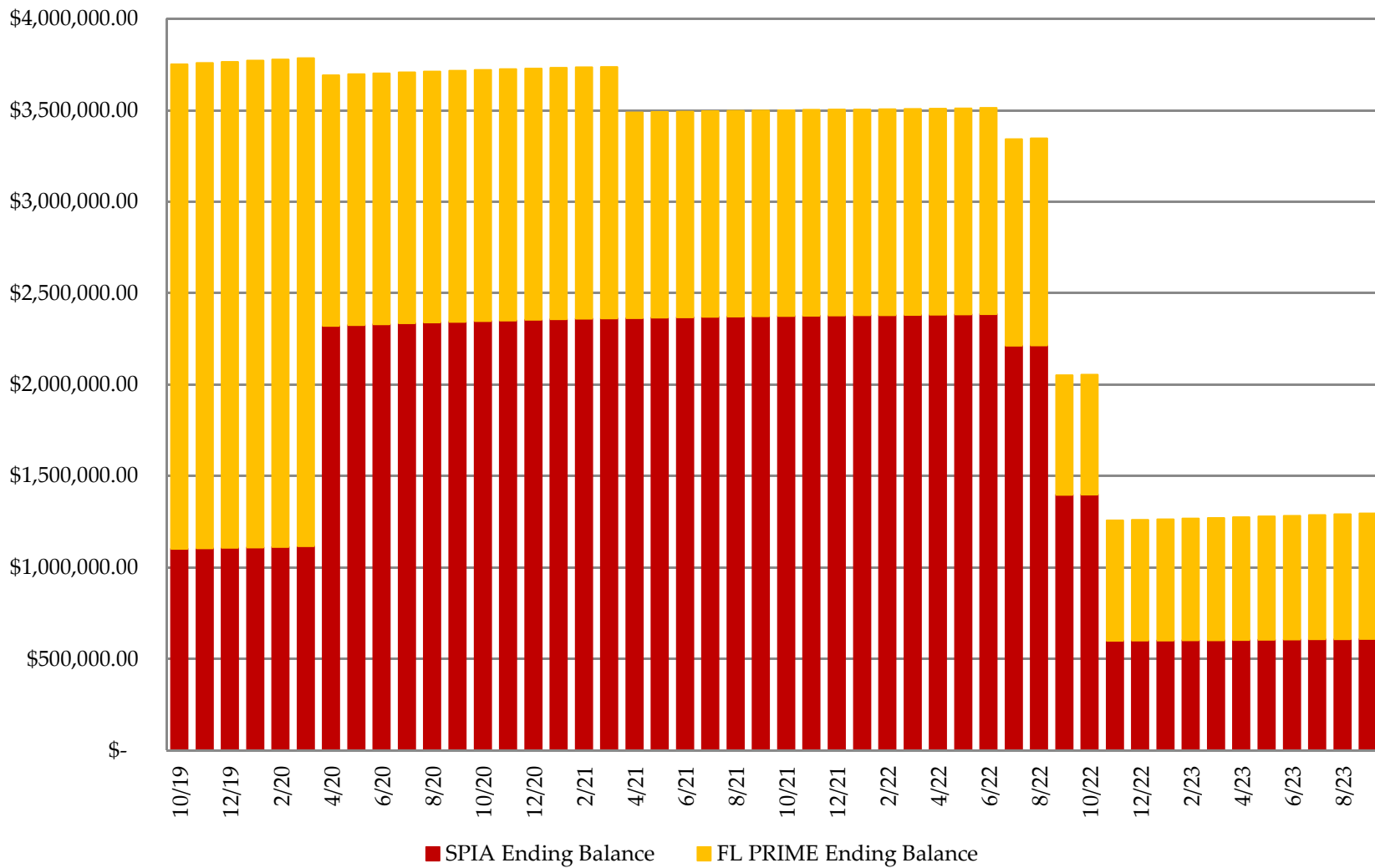
SECURITY DESCRIPTIONS:

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

Leon County Research & Development Authority Investment Yield



Leon County Research & Development Authority Investments Balances



LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY

INVESTMENT PORTFOLIO

For period ending October 31, 2023

For the Month:

<u>SECURITY OWNED</u>	<u>BALANCE BOM</u>	<u>EARNINGS</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE EOM</u>	<u>YIELD</u>
FL PRIME	\$ 685,860.01	\$ 3,528.23	\$ 245,125.00	\$ -	\$ 934,513.24	6.057%
SPIA *	609,978.59	1,000.00	-	245,000.00	365,978.59	1.930%
	<u>\$ 1,295,838.60</u>	<u>\$ 4,528.23</u>	<u>\$ 245,125.00</u>	<u>\$ 245,000.00</u>	<u>\$ 1,300,491.83</u>	<u>4.114%</u>

For the Fiscal Year Beginning October 1:

<u>SECURITY OWNED</u>	<u>BALANCE BOP</u>	<u>EARNINGS</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE EOP</u>	<u>YIELD</u>
FL PRIME	\$ 685,860.01	\$ 3,528.23	\$ 245,125.00	\$ -	\$ 934,513.24	6.057%
SPIA	609,978.59	1,000.00	-	245,000.00	365,978.59	1.930%
	<u>\$ 1,295,838.60</u>	<u>\$ 4,528.23</u>	<u>\$ 245,125.00</u>	<u>\$ 245,000.00</u>	<u>\$ 1,300,491.83</u>	<u>4.114%</u>

Investments Designated for Capital Projects (North Florida Innovation Labs)	\$ -
Investments Held to Meet Contractual Requirements (OEV MOU)	\$ 193,345.00
Undesignated Investments	\$ 1,107,146.83
SPIA Available Balance (see security description for minimum balance requirements)	\$ - *

* SPIA reporting has been delayed--earnings for the month and available balance amounts estimated
 SPIA has approved for 11/10/22 an \$800,000 "emergency withdrawal" (beyond available balance), to cover additional NFIL funding requirements, and to pay for costs of elevator refurbishment

NOTABLE ADDITIONS OR DEDUCTIONS TO ACCOUNTS:

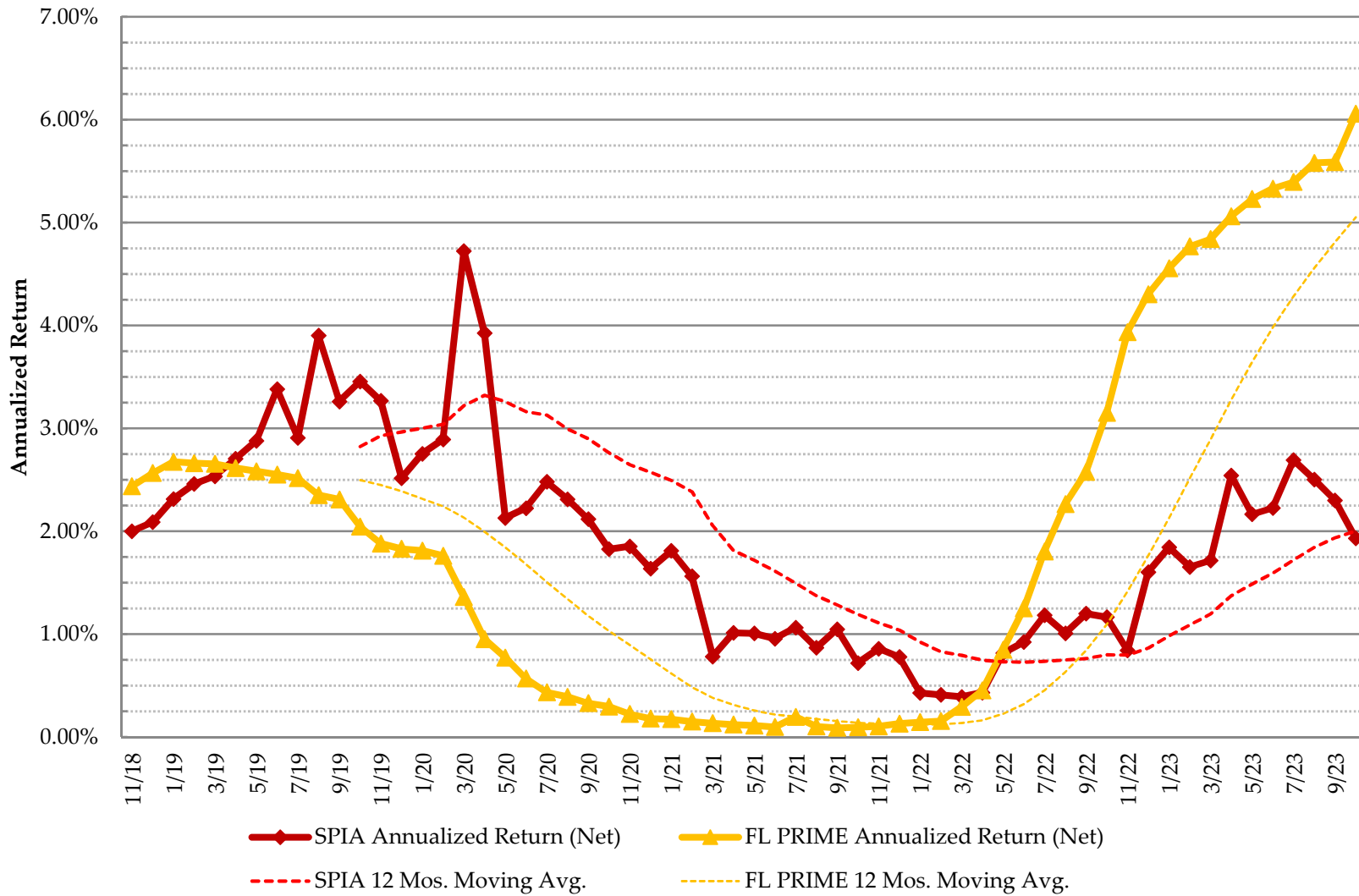
- 7/22 Withdraw \$175,000 of OEV MOU funds for Collins Renovation and marketing expenses
- 9/22 Withdraw \$1,300,000 total from both accounts to pay contribution to NFIL Project
- 11/22 Withdraw \$800,000 total from both accounts to pay contribution to NFIL Project

Note: Security descriptions shown on reverse

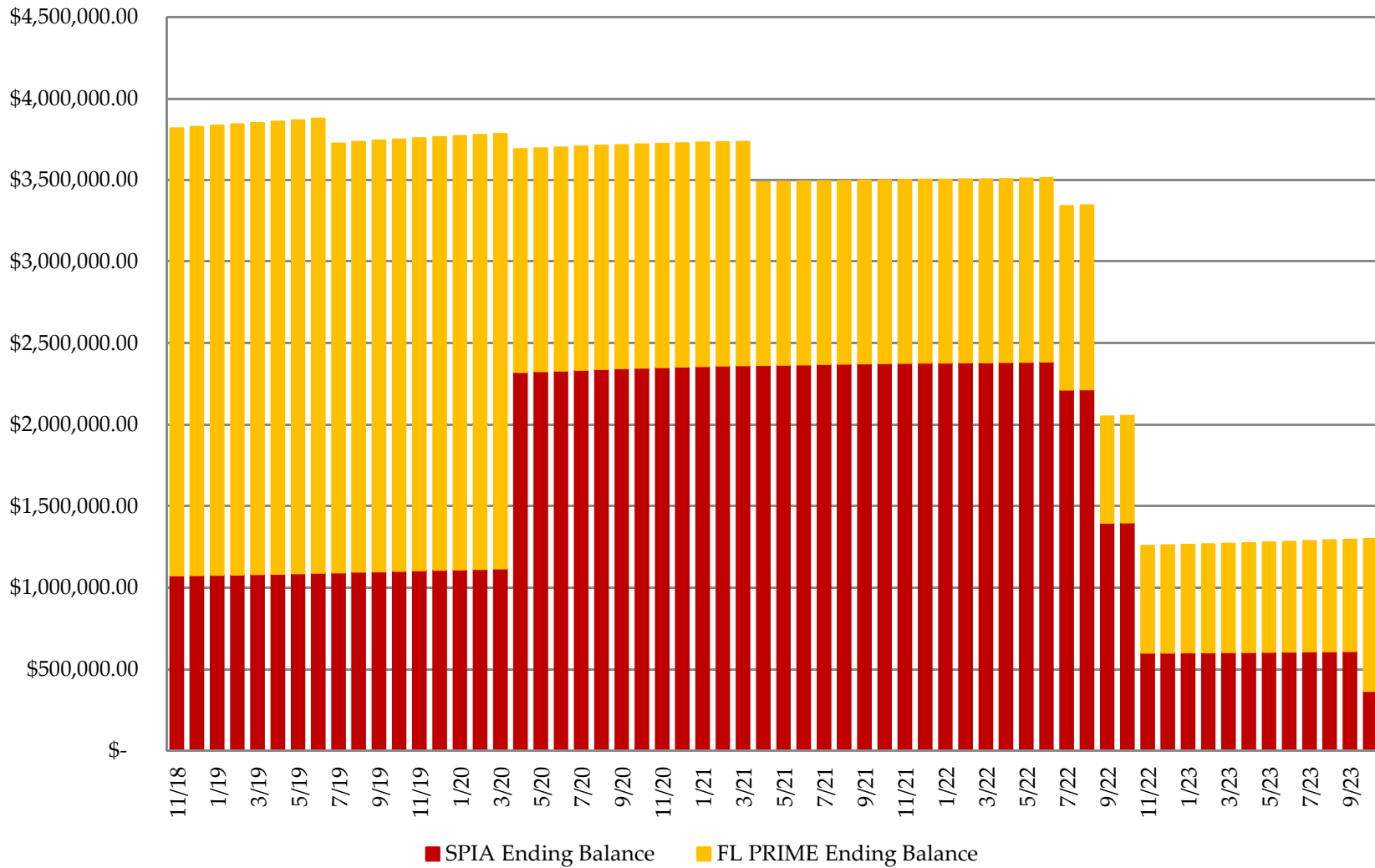
SECURITY DESCRIPTIONS:

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

Leon County Research & Development Authority Investment Yield



Leon County Research & Development Authority Investments Balances



1. Treasurer’s Report—David Ramsay

- a. Treasurer’s Summary Report (*Attachment G*)

Will be provided as a supplement.

**LCRDA- Annual Operating Budget (Cash Flow Based)
Oct 2023-Sep 2024**

Budget Assumptions & Changes:

The NFIL budget is separated from the LCRDA budget
 CAM billing is done quarterly and will be fully collected during the fiscal year.
 10% inflation adjustment for most expense categories over FY 2023
 30% inflation adjustment for insurance (Amended to increase by \$10K because of market trend)
 New tenants will generate incremental \$30k in FY 2024
 The Career Source lease agreement will not be renewed in FY2024 (loss of \$42k vs FY 2023) All other existing tenants will remain for FY 2024
 Anticipate award and receipt of new grants totaling \$50k in FY 2024
 Capital expenditures limited to \$200k in FY 2024 (Amended to \$350K)
 No reserves used for NFIL building completion or FFE

	<u>Approved</u>		<u>Amended</u>	
Revenue Projections				
Rent Revenue	659,538		659,538	
Existing Grants (OEV- MOU Juggernaut, ARPA)	273,000		273,000	
New grant	50,000		50,000	
CAM	94,266		94,266	
Other-income (interest, misc.)	43,900		43,900	
Total	\$ 1,120,704		\$ 1,120,704	
Total Operating Expenses	1,251,401		1,261,181	
Net Operating Loss	(130,697)		(140,477)	
Projected Capital expenditures	(200,000)		(350,000)	
LCRDA Cash flow (Deficit)	\$ (330,697)		\$ (490,477)	
NFIL operation support (from NFIL Budget detail)	(174,300)		(174,300)	
**** Assumes \$484,000 Grants and Sponsorships received				
		<u>9/30/2024 Cash</u>	<u>9/30/2024 Cash</u>	
Consolidated net cash flow w/ grants and sponsorship	\$ (504,997)	\$ 882,000	\$ (664,777)	\$ 722,000
Without Grants and Sponsorships	\$ (988,997)	\$ 398,000	\$ (1,148,777)	\$ 238,000

**Leon County R&D Authority and North Florida Innovation Lab
Approved Budget (Cash Flow Based): Fiscal Year 2023-24**

	LCRDA Proposed Budget FY 2023-24							LCRDA Total Budget	Budget Adjustments	Adjusted Budget	Notes	FY 2022-23		
	Tenants In Common	Knight/ Admin	Collins	Fuqua Shared	Morgan	Johnson	Phipps					YTD Actual + 3 months Budget	Current Year Budget	Variance
INCOME														
OPERATING INCOME														
Income- Rent		\$ 11,784	88,200		\$ 147,718	\$ 306,972	\$ 104,864	\$ 659,538		\$ 659,538	a	651,806	\$ 643,408	8,398
Income-Common Area Maintenance	\$ 85,266			\$ 9,000				94,266		94,266	a	100,418	111,415	(10,997)
Income - Grant Revenue		323,000						323,000		323,000	b	326,180	150,298	175,882
Income- Interest	25,000							25,000		25,000	b	35,369	17,283	18,086
Income- Other Program		16,500						16,500		16,500	c	108,572	8,000	100,572
Income- Other Income			2,400					2,400		2,400		1,554		1,554
TOTAL OPERATING INCOME	110,266	351,284	90,600	9,000	147,718	306,972	104,864	1,120,704	-	1,120,704		1,223,899	930,404	293,495
EXPENSES														
OPERATING EXPENSES														
Total Authority Employee Expense		568,833						568,833		568,833	d	491,068	525,711	(34,642)
Total Utilities	1,320	4,600	48,160	6,560	30,270	28,210		119,120		119,120	e	108,198	123,214	(15,016)
Total Maintenance & Repairs	1,520	16,660	15,890		16,620	20,100	1,980	72,770		72,770	f	85,277	54,423	30,854
Total Cleaning & Improvements			5,000		5,000			10,000		10,000	g	66,721	104,000	(37,279)
Total Services	12,860	12,510	30,880	3,390	23,030	41,320	1,670	125,660		125,660	h	114,097	131,049	(16,952)
Property Administrative	-	187,010	-					187,010		187,010	i	162,980	244,858	(81,878)
Total Other Expenses (TALCOR)		11,424	19,920		26,016	22,704	11,724	91,788		91,788		91,788	91,788	-
Total Insurance & Taxes	7,910	2,470	18,850	4,700	7,350	23,840	11,100	76,220	9,780	86,000	j	66,121	66,120	1
TOTAL OPERATING EXPENSES	23,610	803,507	138,700	14,650	108,286	136,174	26,474	1,251,401	9,780	1,261,181		1,186,251	1,341,163	(154,913)
NET OPERATING INCOME (LOSS)	\$ 86,656	\$ (452,223)	\$ (48,100)	\$ (5,650)	\$ 39,432	\$ 170,798	\$ 78,390	\$ (130,697)	\$ (9,780)	\$ (140,477)		37,648	(410,759)	448,408
NFIL Proposed Budget FY 2023-24														
								NFIL Total Budget	Budget Adjustments	Adjusted Budget				
INCOME														
OPERATING INCOME														
Membership Fees								88,100		88,100	k			
Meeting space, events and seminars								26,400		26,400				
Income - Grant Existing								180,000		180,000	l			
Income - New grants								60,000		60,000	l			
Sponsorships								424,000		424,000				
TOTAL OPERATING INCOME								778,500		778,500				
EXPENSES														
OPERATING EXPENSES														
Payroll								300,000		300,000	m			
Utilities								280,700		280,700				
Software Services								36,000		36,000				
Programing Cost								60,100		60,100				
Professional Dev								10,600		10,600				
Lab Operating Expense								265,400		265,400				
TOTAL OPERATING EXPENSES								952,800		952,800				
NET OPERATING INCOME (LOSS)								\$ (174,300)		\$ (174,300)				

Leon County R&D Authority and North Florida Innovation Lab
Approved Budget (Cash Flow Based): Fiscal Year 2023-24

LCRDA Proposed Budget FY 2023-24								FY 2022-23						
Tenants In Common	Knight/ Admin	Collins	Fuqua Shared	Morgan	Johnson	Phipps	LCRDA Total Budget	Budget Adjustments	Adjusted Budget	Notes	YTD Actual + 3 months Budget	Current Year Budget	Variance	
COMBINED LCRDA+NFIL NET CASH FLOW BEFORE CAPEX							(304,997)	(9,780)	(314,777)	n				
Less: Capital Expenditures							(200,000)	(150,000)	(350,000)					
COMBINED LCRDA+NFIL NET CASH FLOW AFTER CAPEX							\$ (504,997)	\$ (159,780)	\$ (664,777)					
COMBINED LCRDA+NFIL NET CASH BALANCE FORECAST														
Estimated Combined Cash Balance - (10/1/2023)							1,387,000		1,387,000					
Plus: Combined Net Cash Flow After Capex							(504,997)	(159,780)	(664,777)					
EST. COMBINED CASH BALANCE - (9/30/2024)							\$ 882,003	\$ (159,780)	\$ 722,223					
Without Grants and Sponsorships - NFIL							(484,000)		(484,000)					
EST. COMBINED CASH BALANCE - W/O GRANTS AND SCHOLARSHIPS (9/30/2024)							\$ 398,003		\$ 238,223					

Notes:

- a \$30K new lease revenue less departing tenants
- b Lower interest income
- c Settlement of Due from IPTLH is completed
- d 4% inflation adjustment from current levels
- e 10% inflation adjustment from current levels
- f Elevator Maintenance in Fuqua
- g Renovation in Collins and Morgan largely completed
- h 10% inflation adjustment from current levels plus allowance for single audit increase
- i 10% inflation adjustment from current levels
- j 30% inflation adjustment from current levels
- k Revenue is estimated on 17.5% occupancy rate
- l Majority of the revenue is derived from grants and sponsorships (\$484K)
- m Payroll is limited as facility is not functioning at full capacity,
- n Capital Expenditure (CAPEX) is budgeted to cover critical improvements only.
- o Impact of not securing grants and sponsorship (\$484K) on estimated ending cash balance

**NFIL - Annual Operating Budget (Cash Flow Based)
Oct. 2023 - Sep. 2024**

Budget Assumptions:

- Facility turned over the NFIL on January 1, 2024. (9 months of FY 2023-24)
- Revenue generation starts April 1, 2024 (6 months of FY 2023-24)
- FF&E delivered prior to April 1, 2024.
- FF&E will be funded using legislative appropriation, amount leftover from construction fund and loan from FSU RF
- Payment of Debt from FSU RF does not start until FY 2024-25
- \$484k of \$779k of budgeted revenue is derived from grants and sponsorships in FY 2024
- Revenue and occupancy rates are based on the original budget prepared during FY2022 project proposal submission.

Projection of cash inflow and outflow during FY 2023-2024

- Member occupancy rate for FY 2023-24 is 35% of full capacity for 6 months (April to September) which is 17.5% for FY2024 (70% for FY 2025)
- Existing grants received (B2S)
- Anticipated new grants awarded and received
- Anticipated sponsorships received

Total Anticipated Cash Inflows

Total Expenditure

Interest & Debt Payment

Net cash flow (deficit)

Net cash flow w/o new grants & sponsorships

FY 2023-24	FY 2024-25
\$ 114,500	\$ 431,600
180,000	187,000
60,000	180,000
424,000	645,100
\$ 778,500	\$ 1,443,700
(952,800)	(1,568,700)
	(217,300)
\$ (174,300)	\$ (342,300)
(658,300)	(1,167,400)

NFIL - Annual Operating Budget (Cash Flow Based)
Oct 2023-Sep 2024

Operating Revenue	FY 2023-24	FY 2024-25
Membership Fees	\$ 88,100	\$ 352,400
Meeting space, events and seminars	26,400	79,200
OTHER INCOME		
Income - Grant Existing	180,000	187,000
Income - New grants	60,000	180,000
Sponsorships	424,000	645,100
Income- Other	-	
Total Inflow	\$ 778,500	\$ 1,443,700
OPERATING EXPENSES		
Payroll*	\$ 300,000	\$ 690,300
Utilities	280,700	392,900
Software Services	36,000	48,000
Programing Cost	60,100	80,000
Professional Dev	10,600	14,000
Lab Operating Expense	265,400	343,500
Total Operating Exp.	\$ 952,800	\$ 1,568,700
Debt Repayment		\$ 217,300
Net Cash flow (Deficit)	\$ (174,300)	\$ (342,300)

* During 2024-25, the staffing required is estimated to be 75% of full capacity based on original 2022 approved budget

* During 2024-25, other operating expenses are estimated at 100% of full capacity based on original 2022 approved budget

LCRDA AND ITS INNOVATION PARK: A BACKGROUND PAPER

I. WHAT IS IT?

The Leon County Research & Development Authority (LCRDA) was established by Florida statute in 1978 and is the governing body of Innovation Park. The Park is located in southwest Tallahassee and is composed of 208 acres; is located within minutes of two major universities (Florida State University & Florida A&M University), an exceptional and expanding college (Tallahassee Community College), an international airport, and the Capitol of the State of Florida.

The goal of the LCRDA is to utilize the land in Innovation Park to house international regarded research facilities related to our research universities; preeminent private-sector companies; emerging and start-up small R&D companies; and several leading state facilities and laboratories. Through the attraction of these R&D performers to Innovation Park, new jobs have been created and the regional economies of North Florida improved.

II. HOW HAS INNOVATION PARK DEVELOPED SINCE ITS INCEPTION?

After its creation in 1978 and guided by Malcolm Johnson, the first Chair of the LCRDA, Innovation Park began by attracting and welcoming its first tenant—the Northwest Florida Regional Data Center—into its first building. Completed in 1984, NWFRDC remains a tenant in Innovation Park. In the mid-1980s, membership on the LCRDA was expanded to add representation from the two universities—FSU President Bernard Sliger & FAMU President Fredrick Humphries. The strong university presence on the LCRDA provided the Authority the ability to attract State and federal funded research players to Innovation Park. The highly visible presence of these universities in Innovation Park set the stage for a key ‘firsts’ for the Park: the decision by the U.S. Department of Energy (DoE) to locate one of the first supercomputers at Florida State University and in Innovation Park. FSU established the Supercomputer Computations Research Institute (SCRI) in 1984, and the first supercomputer arrived in 1985. The DoE decision to send this first supercomputer to FSU was strongly supported by U.S. Representative Don Fuqua (FL) who was later recognized for his support by the naming of the Fuqua Research Complex in Innovation Park in his honor. The growth of the Park was also highlighted by construction of three research buildings during the late 1980s (eventually named Sliger, Johnson, and Shaw Buildings). Additional university presence in the Park continued with FAMU’s research presence in the Centennial Building and FSU in the Collins Building. The late 1980s also witnessed the addition of local real estate expertise and a private sector perspective with the addition of Frank Shaw, Jr. and then Jack Buford to the LCRDA Board in the mid-to late 1980s and served on the Board during its formative period. They were joined on the Board by Lee Vause, who represented the Leon County Commission.

The decade of the 1990s showed some additional growth in the number of buildings and in the composition of the LCRDA. In 1991, a change in Florida statute [FS 159.703(3)] led to the addition of the President of the Florida Senate, the House Speaker, the Chancellor of the State University

System, and the Director of the National High Magnetic Field Laboratory (NHMFL). This change led to an enhanced focus on federally funded R&D by the LCRDA with the Chancellor Charles Reed and the Magnet Laboratory Director participating in the Authority's activities. Competition at the National Science Foundation (NSF) on the future location of the Magnetic Laboratory was initiated in the early 1990s, and the NSF decision was made to locate this internationally important R&D resource in Tallahassee and inside Innovation Park. With R&D activity beginning with its dedication in 1994, the NHMFL is one of NSF's self-described 'crown jewels' and has become a centerpiece in Innovation Park. With over 350,000 square feet of space; employing 751 scientists, engineers, and support staff; and having a current annual budget of \$71,000,000, the Magnetic Lab is also a jewel in Innovation Park and in Leon County as well.

To begin the 21st Century, in 2000, another change was made in Florida statute dropped the four positions included in the 1991 statute—the Senate President, the Speaker of the House, the SUS Chancellor, and the NHMFL Director—and replaced them with five members appointed by the Leon County Commission. This led to the addition of strong leaders on the Authority such as Bruce Host and Jane Sauls from the County Commission, Mark Mustian and Debbie Lightsey from the City, and also involved Stan Barnes and Tom Barron representing the private sector. These individuals, combined with strong university representation (including Larry Robinson from FAMU) and a major tenant presence (the NHMFL was Director was selected as the tenant representative), all led the Authority and Innovation Park in fine fashion. There were also several crucial investments made by the universities during this period as well. These included two buildings with 170,000 square feet of space that were built in Innovation Park by the FSU Research Foundation in 2003. Those buildings housed several key FSU's R&D enterprises—Center for Ocean, Atmospheric Predictive Studies (COAPS), its new Center for Advanced Power Systems (CAPS), and its internationally recognized Learning Systems Institute (LSI). The R&D returns from these three powerhouses have exceeded over the years many tens of millions of dollars.

These university infrastructure investments were followed by a huge private sector win and another gem by attracting Danfoss Turbocor to relocate from Canada to Innovation Park in Tallahassee in 2006. Attracted by the research on magnets underway at the NHMFL, Danfoss produces oil-free centrifugal compressors that is a breakthrough in employing magnet technologies. Reflecting its close partnership with the NHMFL, Danfoss is completing another expansion in Innovation Park and when completed, will have approximately 350,000 square feet of R&D and office space under roof with 286 employees prior to occupying its second building. Danfoss has been a huge success by becoming a world-class commercial leader and innovator.

To complete the first decade of the 21st Century, Innovation Park has seen the completion of two additional FSU buildings—the High-Performance Materials Institute (HPMI) and the Aero-space Mechanical Engineering (AME) building. These two FSU state-of-the-art facilities were completed in 2009 and 2010 respectively and have a combined R&D capacity of over 110,000 square feet of space.

Every organization likely faces difficult situations during their lifetime. Innovation Park is no different. During 2010, an audit discovered a discrepancy, and an administrative employee of Innovation Park was arrested for embezzling funds from the Park for personal use. The employee pled guilty and was convicted of the crimes. A result was the Park and its Board strengthening its oversight and its fiscal procedures.

The second decade of the 21st Century saw the Authority continuing to benefit from strong leadership from Board members like David Ramsey and Kristin Dozier, and it began contemplating its best path forward to continue expansion of the R&D infrastructure within Innovation Park. Clearly, the limiting factor in all of these decisions was the increasingly glaring fact that the Authority had few revenue sources other than lease and rental income to depend upon. This income was increasingly coming from long-term, fixed rate rental agreements, with most of the agreements having no provisions for inflationary increases. Maintenance and other upkeep costs, however, were coming frequently and those costs were increasing rapidly. The Authority receives no revenue from the city of Tallahassee, from Leon County, or the State of Florida. Based on this reality, in 2013, the Authority signed a Memorandum of Understanding (MOU) with Florida State University and Florida A&M University to provide those universities with approximately sixty (60) acres of property within Innovation Park to allow increased opportunities for those universities to utilize their resources and, in turn, expand their R&D capacities and infrastructure, thereby creating more jobs for the benefit of Leon County and the surrounding region. This turned out to be a highly successful strategy and has led to increased R&D infrastructure in Innovation Park, many more jobs created, and enhanced economic development for this community and beyond.

This second decade has seen further successes and further expansion of the R&D infrastructure within Innovation Park. As mentioned previously, Danfoss Turbocor has recently completed another corporate expansion of its substantial footprint with the addition of 207,000 square feet of space. In addition, thanks to a substantial grant from the Economic Development Administration (EDA) within the U.S. Department of Commerce, and with assistance from the City of Tallahassee's Office of Economic Vitality (OEV) and the FSU Research Foundation, the LCRDA has led the way on construction of a building to house the North Florida Innovation Labs (NFIL). Created in 2019 by the LCRDA, the NFIL is a 501.c.3 which is designed to provide affordable, sophisticated lab space to support startup companies, emerging technologies, and world-class research. The NFIL will have 40,000 square feet of incubator space, high-tech labs, meeting areas, and a machine shop. There is capacity to support up to 100 member companies in this new building which should be completed in early 2024. Another fabulous infrastructure addition to Innovation Park will be FSU's Interdisciplinary Research Center Building (IRCB) which broke ground in 2023 and is expected to be completed in late 2024. The IRCB will have almost 120,000 square feet of space, laboratory space for dozens of scientists, engineers, and research staff. Its focus will be on interdisciplinary research and will be a state-of-the-art research facility. The addition of these new research and incubation facilities will quickly allow these facilities to become additional centerpieces of Innovation Park.

III. CURRENT STATUS OF LCRDA AND INNOVATION PARK

Currently, Innovation Park has 17 buildings (with 3 more under construction, e.g., Danfoss, NFIL, and FSU's IRCB) and more than 30 different organizations (including the federal government, the State of Florida, Florida A&M University, Florida State University and its Research Foundation, and a growing number of private sector companies and small businesses). It has been noted the roles that the State of Florida and its State University System; the City of Tallahassee and Leon County officials; leadership from Florida State University, Florida A&M University, and Tallahassee Community College; and numerous private sector leaders—past and present have played in the development and progress of Innovation Park and as part of the Leon County R&D Authority. That involvement and expertise has led to the many successes the Authority has had and growth in the number of tenants that Innovation Park has seen over the past 45 years.

The LCRDA receives no regular or annual funding from any government, State or local. Its primary revenues come from leasing its properties and the income that those leases generate. Many of the Authority's buildings in Innovation Park are aging; as noted above, construction on some of them began in the early 1980s. The involvement of the two universities in the construction of a growing number of buildings for research purposes allows those universities to manage their own upkeep and modernization when needed. The same is true for private sector construction and upkeep. The Authority remains dependent on leasing income for all its maintenance and upkeep requirements. This is becoming a challenging, if not impossible, task.

For example, the Authority's most recent construction venture—the North Florida Innovation Labs—is being accomplished with a combination of federal grant funding (from the Economic Development Administration (EDA) in the U.S. Department of Commerce); local funding from the Office of Economic Vitality; TCC with support from the State of Florida; the FSU Research Foundation; and the LCRDA. Private funding will be sought to continue operations and support into the future. However, simply adding a few more monthly lease payments will not provide the necessary funding for this facility and the on-going maintenance costs of this and other Authority properties within Innovation Park. This situation brings the Leon County R&D Authority to a cross-roads.

As mentioned previously, the LCRDA agreed to transfer 62 acres within Innovation Park to the two universities—FSU and FAMU—in 2013. That arrangement has been deemed highly successful by all parties. The universities have expanded their land holdings for purposes of enhanced research infrastructure, regional economic development, and upgraded maintenance of properties which is now included in the universities' budgets.

The LCRDA has --- acres of property under its purview within Innovation Park. Some of that property (-- acres with --- structures) has buildings on the properties, and some (--- acres) is undeveloped. Both Florida State University and Florida A&M University's Presidents have agreed on what specific portions of the remaining properties each could effectively utilize for their purposes while still accomplishing the goals and mission of the Authority...

MORE SHOULD BE ADDED HERE AND CONCLUSION

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made and entered into on this _____ day of _____, 202____ (“Effective Date”), by and between LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY (“LCRDA”), a Special District authorized by Chapter 159, Part V, Florida Statutes, FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY BOARD OF TRUSTEES, a public body corporate of the State of Florida, acting for and on behalf of Florida Agricultural and Mechanical University (“FAMU”) and FLORIDA STATE UNIVERSITY BOARD OF TRUSTEES, a public body corporate of the State of Florida, acting for and on behalf of The Florida State University (“FSU”). LCRDA, FAMU and FSU may be referred to collectively herein as the “Parties”, or individually as a “Party”.

RECITALS

WHEREAS, LCRDA was created in 1980 with the mission of promoting scientific research and development, fostering economic development, and broadening the economic base of Leon County working with local government, FAMU, and FSU; and

WHEREAS, LCRDA leased a +/- 208 acre property from the State of Florida Trustees of the Internal Improvement Trust Fund (“TIITF”) located in southwest Leon County for the purpose of carrying out its mission; and

WHEREAS, LCRDA developed much of that property as Innovation Park (“The Park”) within the +/-208 acres and further subdivided the property; and

WHEREAS, pursuant to an MOU dated November 12, 2013 between LCRDA, FAMU, and FSU (the “2013 MOU”), LCRDA transferred the leases with TIITF of a portion of its leasehold interests to FAMU and FSU to allow (1) LCRDA to better focus on economic development (2) FAMU and FSU to have greater control over land and buildings they were currently leasing or operating in some capacity; and (3) each Party to develop additional; parcels so they could meet their needs while contributing to economic development at The Park; and

WHEREAS, LCRDA has continued to operate portions of The Park and has remaining fee simple ownership and certain interests in certain long term ground leases in land and buildings; and

WHEREAS, FAMU and FSU are accredited public institutions of higher learning with research and development capabilities affiliated with LCRDA as required under Florida Statutes 159.704 that are further Parties to long term ground leases in buildings in Innovation Park; and

WHEREAS, the Parties believe it is in the best interest of Innovation Park and Leon County for LCRDA to focus on supporting the development of new knowledge, advancing

technology, enhancing the growth of Leon County, and for FAMU and FSU to leverage the real estate assets currently owned or leased by LCRDA; and

WHEREAS, the Parties desire to enter into this MOU to accomplish the purposes set forth in these recitals.

NOW THEREFORE, in consideration of the following mutual promises and covenants, and other good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties hereby agree as follows:

1. **Property**. LCRDA owns: (i) the fee simple interest in the property identified as “Out Parcel C”; (ii) the long term ground lease interest in the improved properties identified as parcels “12A”, “1B”, “5G”, portions of parcel “6G”; (iii) the long term ground lease interest in the unimproved but developed properties identified as parcels “1D”, “2D”, “3D”, “1E”, “2E”, “3E”, “4E”, “5E” and “6E”; and (iv) the long term ground lease interest in the unimproved and undeveloped properties identified as parcels “1F” and “7E”, all as shown on Exhibit “A” (the “Parcel Map”) attached hereto and incorporated herein (collectively, the “LCRDA Parcels”). The long-term ground lease interests are pursuant to that certain Ground Lease Agreement dated as of January 28, 1980 (“Master Ground Lease”) between LCRDA and TIITF.

2. **Legal Descriptions**. LCRDA has engaged Surveying and Mapping, LLC (SAM) and within ninety (90) days of the Effective Date, will provide legal descriptions of the LCRDA Parcels and an updated Parcel Map.

3. **Survey and Title**. Any Party shall be entitled to obtain a boundary survey or title commitment prior to Closing (as hereinafter defined). The Parties agree to reasonably cooperate to resolve any survey and title issues prior to Closing.

4. **Conditions Precedent to Closing**. Prior to Closing:
- a. LCRDA will assign, transfer, quitclaim and release all of its right, title and interest in and to the LCRDA Parcels to TIITF.
 - b. FAMU and FSU, will submit applications to TIITF in order to obtain leasehold interests in the properties described in Section 5.
 - c. The obligations of the Parties under this MOU are contingent upon TIITF simultaneously releasing LCRDA and the LCRDA Parcels from the Master Ground Lease and directly leasing: (i) the FAMU Parcels to FAMU; (ii) the FSU Parcels to FSU.
 - d. Each and all of the terms, covenants and conditions of this MOU to be complied with or performed by each of the Parties on or before the Closing will have been duly complied with and performed in all respects.

5. **Inspections and Closing.** The closings (“Closing”) on the real estate shall occur as follows:

- a. On or before _____, 2024, (“FAMU Closing”) LCRDA shall cause the transfer to FAMU of the lease interests in Lot “5G” (the Collins Building), Lot “1F” and “12A” (the Knight Building), together with all improvements located thereon (“FAMU Parcels”). After the Effective Date and prior to Closing, FAMU will work with LCRDA to address any substantive issues identified prior to the FAMU Closing. At the FAMU Closing, FAMU will take the FAMU Parcels in their “as is” condition as of the date of the FAMU Closing.
- b. On or before _____, 2024, (“FSU Closing”) LCRDA shall cause the transfer to FSU of all the remaining LCRDA Parcels (“FSU Parcels”) including all lease interests, fee simple interests and all improvements located thereon. After the Effective Date and prior to Closing, FSU will work with LCRDA to address any substantive issues identified prior to the FSU Closing. At the FSU Closing, FSU will take the FSU Parcels in their “as is” condition as of the date of the FSU Closing.
- c. Within ninety (90) days from Effective Date, the Parties will execute an additional transfer agreement containing representations and warranties typical for real estate transactions as well as typical requirements and conditions including, at a minimum, the following:
 - i. Turnover of all relevant documents and files related to respective parcels being assigned to the transferee Party; and
 - ii. Assignment of LCRDA’s interest as landlord in ground leases with Danfoss and Avalanche, and various tenant office and building leases as well as estoppel certificates from each such tenant; and
 - iii. Assignment of security deposits, warranties, services contracts, licenses, permits, and other contracts affecting any building from LCRDA to the respective transferee at Closing.

6. **Taxes and Expenses.** Any real estate taxes shall be prorated as of the day of Closing. The transferee shall be responsible for all closing costs associated with its closing.

7. **Certain Requirements.**

- a. **Encumbrances.** Improvement or development of, repairs, and use of, certain of the LCRDA Parcels is governed by: (i) the Innovation Park Planned Unit Development (“PUD”), as amended; (ii) the Innovation Park Development Agreement with the City of Tallahassee recorded August 9, 2010, in Official Records Book 4148, Page 1584, Public Records of Leon County, Florida (the “Development Agreement”); (iii) that certain Financial Assistance Award No. 04-79-07447, dated September 17, 2020 in the amount of Twelve Million Three Hundred Ninety Six Thousand Six Hundred Eighty Three and No Dollars given by the United States Department of Commerce, Economic Development

Administration under the Public Works and Economic Development Act of 1965 as evidenced by that certain mortgage recorded on April 28, 2022 in Book 5728, Page 748 of the Official Records of Leon County, Florida (the “EDA Grant”); (iv) the terms of that certain loan given to LCRDA by The Florida State University Research Foundation, Incorporated, as evidence by a mortgage recorded on April 28, 2022 in Book 5728, Page 748, of the Official Records of Leon County, Florida (the “FSURF Loan”); and (v) Innovation Park/Tallahassee Declaration of Protective Covenants, recorded February 10, 1981, in Official Records Book 984, Page 2269, Public Records of Leon County, Florida, (“Covenants”).

- b. Amendment to Covenants. Prior to Closing, the Parties agree to work in good faith to amend and restate the Covenants so that they are updated to reflect the structural changes contemplated herein and, at a minimum, include the following changes:
 - i. Development Review Committee. The Parties agree to amend the Covenants to replace the LCRDA on the Development Review Committee with a member appointed by the Division of State Lands (“DSL”) at the Florida Department of Environmental Protection (“FDEP”) as the agent for TIITF.
 - ii. Declarant. At Closing, LCRDA will transfer to [_____] its rights as the Declarant in and to the Covenants and the amended and restated Covenants will reflect this transfer. It is the intent of the Parties that the FAMU Parcels and FSU Parcels will still remain a part of Innovation Park subject to the Covenants as amended and restated at Closing.
- c. Common Infrastructure. FSU and FAMU will continue to share the common infrastructure and shall enter into an agreement prior to Closing delineating each party’s responsibility and share of common area maintenance expenses, the collection of a necessary fee (“CAM Fee”), and how the CAM fee will be administered. Alternatively, FSU and FAMU may address the CAM Fee in the amended and restated Covenants. FAMU and FSU will share these expenses and pay the CAM Fee in proportion to the acreage each party holds in Innovation Park. This CAM Fee will be used for the expenses directly related to maintaining and operating the common areas, entrances, utilities, refuse collection, irrigation, signage, storm water pond permits, landscape expenses and maintenance.
- d. PUD and Development Agreement. LCRDA shall coordinate with FAMU and FSU, as well as the Tallahassee-Leon County Planning Department, to assign the development rights created and authorized by each the PUD and Development Agreement to each FAMU and FSU on an even fifty percent each basis with each respective share to be ported into the FAMU and FSU campus development agreements, but with a recognition that said rights have fungibility and may be transferred between FAMU and FSU and notice to the Tallahassee-

Leon County Planning Department. The approved transfer of these development rights will be documented in writing at Closing.

- e. 2013 MOU. The Parties agree that this MOU is intended to supersede and replace the 2013 MOU, and in particular, as part of this MOU, the fees for the Administrative Expenses and Economic Development and Marketing Expenses as defined therein will no longer be collected.
- f. FSURF and EDA Grant. The FSU Parcels include Lots 5E and 6E, the site of the North Florida Innovation Lab (“NFIL”), which is subject to the EDA Grant and FSURF Loan. Prior to Closing, LCRDA shall negotiate with FSU and FSURF a work-out arrangement allowing LCRDA to divest any and all interests, obligations, and liabilities in NFIL. This work-out arrangement will cause FSU to receive Lots 5E and 6E, subject to the EDA Grant which has priority over the FSURF Loan, while allowing FSURF to operate the NFIL and receive any revenues. Additionally, LCRDA will work in good faith with FSU to facilitate conversations with the EDA and file any required paperwork to effectuate the transfer of Lots 5E and 6E subject to the EDA Grant.

8. **Additional Transfers and Further Assurances**. After the Effective Date and prior to Closing, the Parties will investigate whether other agreements held by LCRDA relative to Innovation Park that are necessary for the continued operation of Innovation Park or for the complete and quiet enjoyment of FAMU or FSU of the parcels to be transferred, or otherwise necessary to effectuate the intent of this MOU (e.g. Parking Encroachment Agreement with City of Tallahassee dated December 4, 1986) exist. Any such agreement so identified will be transferred upon request to the relevant transferee. LCRDA shall, from time to time, upon either FAMU’s or FSU’s request, execute, deliver, record and furnish such documents as either may reasonably deem necessary or desirable (a) to correct any errors of a typographical nature that may be contained in any of the Closing Documents, or (b) to consummate fully the transaction contemplated under this MOU.

9. **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

10. **Amendments**. Except as otherwise provided herein, this Agreement may be amended or modified by, and only by, a written instrument executed by the Parties. This MOU replaces and supersedes any prior memorandum of agreement or understanding between all or some of the parties regarding the restructuring of Innovation Park.

11. **Law**. This Agreement shall be governed by and construed in accordance with Florida law.

12. **Section Headings**. The section headings inserted in this Agreement are for convenience only and are not intended to, and shall not be construed to, limit, enlarge or affect the scope or intent of this Agreement, nor the meaning of any provision hereof.

13. **Attorneys' Fees and Costs**. In any litigation arising out of or pertaining to this Agreement, the prevailing party shall be entitled to an award of its attorneys' fees, whether incurred before, after or during trial, or upon any appellate level.

14. **Time.** Time is of the essence of this Agreement. When any time period specified herein falls or ends upon a Saturday, Sunday or legal holiday, the time period shall automatically extend to 5:00 P.M. Eastern Standard Time on the next ensuing business day.

15. **Counterparts and Electronic Execution.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document. It is the intent of the parties to circulate original signature copies, however, DocuSign or email copies shall be deemed originals until original signatures are obtained.

IN WITNESS THEREOF, the parties have caused this Memorandum of Understanding to be executed as of the date first written above.

LCRDA:

LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY, a public Authority created pursuant to Chapter 159, Part V, Florida Statutes

By: _____
Name: _____
Its: _____

FAMU:

FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY BOARD OF TRUSTEES, a public body corporate of the State of Florida, acting for and on behalf of Florida Agricultural and Mechanical University

By: _____
Name: _____
Its: _____

FSU:

FLORIDA STATE UNIVERSITY BOARD OF TRUSTEES, a public body corporate of the State of Florida, acting for and on behalf of The Florida State University

By: _____
Name: _____
Its: _____

EXHIBIT A

OCTOBER 2023

LCRDA at Innovation Park

FSU		FAMU		LCRDA	
w/Buildings	Acres	w/Buildings	Acres	w/Buildings	Acres
3A	4.7	4G	3.9	12A	3.0
4-10A	23.5	Undeveloped		1B	5.3
2B,3B	9.0	1A	2.8	5G	3.6
4B	3.7	2A	3.0	6G	2.7
1C,2C	13.1	2F	4.2	6G	2.3
3F	9.2	1G	2.1	Land Leases	
6G	5.4	2G	2.3	1D-3D, 1E	10.6
Undeveloped		3G	3.1	2E, 3E	4.0
11A	2.1			4E, OP (11.9)	15.4
3C	3.6			5E, 6E	3.8
4C	2.2			Undeveloped	
5C	3.7			1F,7E	9.8
6C	1.6				
Total Acreage	81.8	Total Acreage	21.4	Total Acreage	60.5

BLDG ID	LOT	TENANT
1	2C	FSU Research Foundation A
2	1C	FSU Research Foundation B
3	1D-3D, 1E	Denfoss Turbocor Compressors
4	2E, 3E	Florida Virtual Campus
5	3F	FSU Technology Services
6	4G	Centennial Building
7	5G	Cottrill Building
8	6G	Morgan Building
9	6G	Siger Building
10	6G	Johnson Building
11	6G	Show Building
12	1B	Phipps Building
13	4-10A	National High Magnetic Field Laboratory
14	3A	Northwest Regional Data Center
15	12A	Knight Building
16	2B	High Performance Materials Institute
17	3B	Aero-Propulsion, Mechanics, & Energy
18	5E, 6E	North Florida Innovation Labs (2024)
19	4E, OP	Denfoss Expansion (2024)
20	4B	Interdisciplinary Research & Commercialization Building (2024)

