

Leon County Research & Development Authority

Board of Governors Meeting

North Florida Innovation Labs/FSU Ignite Building

1729 West Paul Dirac Drive

Tallahassee, FL 32310

Thursday, February 6, 2025

11:00am – 1:00pm

Minutes

Members in Attendance In-Person: Tom Allen, Ray Bye, Kevin Graham, Jessica Griffin, Eric Holmes, Rick Minor, Shawnta Friday-Stroud.

Members in Attendance by Electronic Means: John Dailey.

Members Not in Attendance: Anne Longman.

Guests: Stephanie Shoulet, FSU Facilities; Lori Campbell, NAI Talcor; Quinton Taylor, i2x Solutions; Michael Kramer, Ayne Markos, Peggy Bielby, LCRDA Staff.

1. Call to Order

Chair Tom Allen called the meeting to order at 11:05am.

2. Introduction of Guests

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

Rick Minor offered a motion to allow participation by electronic means. Dave Ramsay seconded the motion which passed unanimously with John Dailey not voting.

4. Modifications to the Agenda

Michael Kramer added an update on the National Park Service lease for the Johnson Building at Agenda Item 9.d.

5. Public Comment

None.

6. Approval of Draft Meeting Minutes – December 5, 2024

Kevin Graham offered a motion to approve the draft minutes subject to Ray Bye's clarification that the last sentence of the second paragraph under Item 9. "The transfer of the ponds, roads, and declarant rights has not yet been initiated" refers to the Board's discussion that this will be the last item to be addressed in the asset reassignment process. Dave Ramsay seconded the motion which passed unanimously.

7. Treasurer's Report - Dave Ramsay

- a. Financial Reports October – December 2024
- b. December 2024 Investment Rollforward
- c. YTD Financials vs Budget
- d. Treasury Report
- e. Projected Cash 9/30/2025

Treasurer Dave Ramsay presented his report to the Board and supporting reports. He reported that the FY 23-24 audit is in progress, and no concerns are evident. As of Dec. 31, 2024 total assets are \$25 million, largely comprised of the Lab building, as many of the other assets have been transferred. Cash decreased by \$51k from November to December, reflecting the cash burn rate going forward of between \$50k and 60k per month, but we still expect to have approximately \$1.1 million at the end of the 2025 FY. Long term debt of \$4.2 million represents the principal and interest due on the FSU Research Foundation line of credit that is expected to be forgiven upon transfer of the incubator.

Ray Bye offered a motion to approve the Treasurer's Report. Kevin Graham seconded the motion which passed unanimously.

Michael Kramer added that expenses were lower and Lab revenues higher for the period; the largest expenses are payroll, utilities, insurance. He noted that the original budget was prepared assuming the Lab would have transferred by Dec. 31, 2024. The likely transfer date is uncertain. The current cash estimates are based on LCRDA control of the incubator through September 2025.

8. Lab/IPTLH – Michael Kramer

- a. FF&E Updates
- b. FSU Operations & Members

Michael Kramer reported that of the \$1.5 million appropriation for FF&E, \$1.027k has been spent, and \$142k is committed and pending, with \$340k (including \$8k in interest) left to be spent.

There are three current lab members with two more pending vetting.

9. LCRDA – Michael Kramer

- a. FAMU/FSU
 - ii. Danfoss & Avalanche Status
 - iii. Outparcel Status
 - iv. Fuqua Termination
 - v. Lab and Build to Scale Grants
 - vi. Ponds & Roads and Declarant Rights
- b. Insurance and FEMA from May 10, 2024 Tornado – FSU & FAMU
- c. Eisenhower Property
- d. National Park Service Lease

Michael Kramer reported that the Danfoss and Avalanche parcels transferred to the FSU master lease on Dec. 17, 2024. Of the \$105k in insurance proceeds for the tornado damage, FSU has executed a release and accepted \$31k for the damage to the Johnson Building, and FAMU is reviewing the release along with the \$70k proceeds available. FEMA claims are still pending. The outparcel, which LCRDA owns in fee simple, will transfer to FSU pursuant to a purchase agreement

which FSU is currently reviewing. On Jan. 30, 2024, the Shared Use Agreement under which LCRDA and FSU maintained the common area for the Sliger, Morgan, and Johnson Buildings was terminated effective Sept. 15, 2024. We are awaiting the EDA's response regarding the transfer of the Lab and the Build to Scale Grants. The ponds, roads, and declarant rights of the Park will be the final items to transfer. In regard to the Eisenhower property discussed at the last meeting, no further action has been taken.

Michael added an update on the National Park Service (NPS) lease for the Johnson Building: the Authority is the lessor on the original lease documentation. NPS has continued to make lease payments to the Authority and not to FSU which now owns the building (we will transfer the funds to FSU). The lease term expires in February 2025 and NPS would like to "renew" but cannot do so until all the parties agree to the pending novation of the documents, adding FSU as lessor and releasing the Authority. The LCRDA will cooperate with FSU and NPS for a seamless transfer.

10. New Business – Tom Allen and Michael Kramer

- a. Open Board Seat
- b. LCRDA Future Discussion
 - i. Goals and Objectives – Fiscal Year 2024-2025
 - ii. Ray Bye Historical Overview & Conclusion Draft
 - iii. Understanding the Dissolution Process

Michael Kramer reported the vacant Board seat is still open and the County has not advised of any updates.

Tom Allen opened the discussion of the Authority's future, pointing out that the ultimate decision regarding the Authority's future lies with Leon County. Kevin Graham commented that Ray Bye's historical summary document is detailed and helpful, but the "current constraints" regarding capped and declining revenue streams were somewhat self-inflicted and partially responsible for our current circumstances. In addition, he noted that FSU wants properties that are self-sustaining. We have not done a good job historically of creating a sustainable business model. The Authority-model structure offers only limited options, slows movement, and precludes a good business plan. Michael Kramer noted the 1978 charter (reconstituted in 1980) provides the assets of the Authority, as a dependent special district, are to be divided between FSU and FAMU upon dissolution. If the Board votes to dissolve and makes that recommendation to the County Commission, then the County may decide where any remaining assets go upon dissolution, notwithstanding the 1978 Charter. Rick Minor stated that the County Commission will give deference to the recommendation of the Authority. He noted there isn't anything the Authority can do that isn't already within the purview of OEV, the City, the County, and FSU and FAMU. Shawnta Friday-Stroud added the job today is to decide what to do now, and we must be clear before making any recommendation to the County, and we need to make the call.

Kevin Graham asked what the technical elements of a wind-up will entail. Michael Kramer explained that the authority staff is largely focused on divestiture-related administrative items already, and a final audit and other reporting requirements will be the likely last steps when the time comes. Some of this is largely out of our hands. We expect the remaining assets to be cash and the Eisenhower property once all leased real estate is transferred.

After further discussion Ray Bye offered a motion that after all the leased properties, including the roads, ponds, and declarant rights, have been transferred, then the Authority will initiate the

dissolution process and recommend dissolution subject to the subsequent ratification by the Leon County Commission. Dave Ramsay and John Dailey seconded the motion which passed unanimously.

Rick Minor noted that County Administrator Vince Long is already generally aware of Authority status, and he will discuss the update, and vacant Board seat status when he meets with him next week. Kevin Graham suggested any public statement should be agreed upon in advance by the Board, and by Leon County.

John Dailey left the meeting at 12:10pm.

Rick Minor noted that the Authority's actions in the past, particularly with regards to Danfoss and the MagLab were successful economic development impacts for the region and the community, even if not optimal for the long-term viability of the Authority as an entity. Dave Ramsay added that the development of the new Lab was an additional success.

11. Adjourn

The meeting adjourned at 12:15pm.