

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

Wi-Fi:

"Innovation Staff"

SSID: Passoftheweek!

Agenda

Anyone wishing to address the Board may appear in person or submit written comments by 9:00am the day before the scheduled meeting date so that the comments can be distributed to the Board members. 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.

1. Call to Order

2. Introduction of Guests

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

In accordance with the Bylaws, there being a quorum of members present in person, the members of the Committee 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 – December 5, 2024 (Attachment A)

7. Treasurer's Report - Dave Ramsay

a. Financial Reports October - December

Link: [October 2024](#)

Link: [November 2024](#)

Link: [December 2024](#)

- b. December 2024 Investment Rollforward (*Attachment B1*)
- c. YTD Financials vs Budget
- d. Treasury Report (*Attachment B2*)
- e. Projected Cash 9/30/2025

8. Lab/IPTLH – Michael Kramer

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

9. LCRDA – Michael Kramer

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

10. New Business – Tom Allen

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

11. Adjourn

UPCOMING FY 24/25

Board of Governors
and Executive Committee
MEETINGS

<p>Executive Committee Meeting Thursday, March 20, 2025 11:00am – 1:00pm</p>	<p>Board of Governors Meeting Thursday, April 3, 2025 11:00am – 1:00pm</p>
<p>Executive Committee Meeting Thursday, May 22, 2025 11:00am – 1:00pm</p>	<p>Board of Governors Meeting Thursday, June 5, 2025 11:00am – 1:00pm</p>

<p>Executive Committee Meeting Thursday, July 24, 2025 11:00am – 1:00pm</p>	<p>Board of Governors Meeting Thursday, August 7, 2025 11:00am – 1:00pm</p>
<p>Executive Committee Meeting Thursday, September 18, 2024 11:00am – 1:00pm</p>	<p>Board of Governors Meeting Thursday, October 2, 2025 11:00am – 1:00pm</p>

Leon County Research & Development Authority
Board of Governors Meeting
North Florida Innovation Labs
1729 West Paul Dirac Drive
Tallahassee, FL 32310

Thursday, December 5, 2024
11:00am – 1:00pm

DRAFT Minutes

Members in Attendance In-Person: Tom Allen, Ray Bye, Kevin Graham, Eric Holmes, Anne Longman, Shawnta Friday-Stroud.

Members in Attendance by Electronic Means: John Dailey, Dave Ramsay.

Members Not in Attendance: Jessica Griffin, Rick Minor.

Guests: Stephanie Shoulet, NAI Talcor; Julian Griffin, i2x Solutions; Michael Kramer, Ayne Markos, Peggy Bielby, LCRDA Staff.

1. Call to Order

Chair Tom Allen called the meeting to order at 11:12am.

2. Introduction of Guests

All present introduced themselves.

3. Approval of Participation by Electronic Means

Kevin Graham offered a motion to approve participation by electronic means. Anne Longman seconded the motion which passed unanimously with John Dailey and Dave Ramsay not voting.

4. Modifications to the Agenda

None.

5. Public Comment

None.

6. Approval of Draft Meeting Minutes – October 3, 2024

Ray Bye offered a motion to approve the draft minutes. Kevin Graham seconded the motion which passed unanimously.

7. Treasurer's Report - Dave Ramsay

- a. Year End Financials FY 2023-2024
- b. October Financials vs Budget
- c. Cash on Hand and Projected Cash 9/30/2025

Treasurer Dave Ramsay presented his report to the Board and supporting reports. He reviewed the year-

end balance sheet, income statement and cash flow. He did note that the transfer of assets in September triggered a \$2 million loss, which led to a net loss for the year of \$2.8 million.

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

Michael added that the October 2024 financials are not yet available and reminded the Board that a major budget assumption was that the Lab would transfer from LCRDA to FSU by Dec. 31, 2024. The new target date is Apr. 30, 2025, meaning LCRDA will continue to pay the Lab's monthly operating costs of roughly \$30k/ month, however, the reduced payroll resulting from Bill Lickson's resignation will mitigate most of the additional four months of ownership and we still anticipate year-end Sept. 30, 2025 cash to remain at \$1.1 million.

8. Lab/IPTLH – Michael Kramer

- a. FF&E Updates
- b. Construction Issues
- c. FSU Operations & Members
- d. IPTLH Board of Directors rep from LCRDA Board of Governors

Michael Kramer reported that of the \$1.5 million appropriation for furniture, fixtures and equipment for the new Lab, \$327k remains available for additional equipment and technology. Lab equipment purchasing decisions are being coordinated with FSU operations team under the MOU. We are still identifying and addressing a variety of construction issues now that the Lab occupancy has increased.

Per the Letter Agreement (effective date June 20, 2024), FSU is running Lab operations and programming and is vetting three potential new Lab members. Kevin Graham has agreed to continue serving as the Board of Governors' representative to the IPTLH Board of Directors unless another Board member wants to serve in that capacity.

Michael Karmer noted that Thomas Howell Ferguson advised that IPTLH will be considered a component entity of LCRDA and does not require a separate audit. The consolidated financials for LCRDA and IPTLH will be presented in the audit but broken down in the supplemental schedules. The IPTLH balance sheet will primarily reflect the FF&E funding and acquisition, plus some depreciation.

9. LCRDA – Michael Kramer

- a. FAMU/FSU
 - i. Legacy Building Status
 - ii. Danfoss & Avalanche Status
 - iii. Outparcel Status
 - iv. Lab and Build to Scale
 - v. Ponds & Roads and Declarant Rights
- b. Insurance and FEMA from May 10, 2024 Tornado
- c. Staffing Changes
- d. Eisenhower Property

Michael reported that the legacy buildings: Collins, Knight, Morgan, Johnson, and Phipps, were transferred to FAMU and FSU on Sept. 15, 2024. The Danfoss and Avalanche parcels properties transfer to FSU is pending at DEP, expected to be completed within 30-60 days. Because the outparcel, which is leased to Danfoss, is held in fee simple, its acquisition by FSU will not require DEP

involvement.

The FSU entity (FSU Research Foundation) which will accept responsibility for the EDA Lab Building Grant and the Build to Scale Grant has been identified and shared with the EDA. Valerie McDevitt will be the key contact for FSU to coordinate the process with EDA, DEP, and LCRDA. The transfer of the Ponds, roads, and declarant rights has not yet been initiated.

We received \$115k after deductible for tornado damage from our insurance carrier. We are working on agreements with FSU and FAMU to distribute the unspent proceeds. Bill Lickson resigned on Oct. 18, 2024 and executed a formal separation agreement with LCRDA.

A Talcot contact gave a rough estimate of the Eisenhower property current value: approximately \$100k per acre in today's market. Ray Bye and Kevin Graham noted the FSU Research Foundation owns 26 acres of property, with the same industrial zoning, from a donation in the same, but not adjacent, area.

10. New Business – Tom Allen and Michael Kramer

- a. Open Board Seat
- b. Committee Assignments FY 24-25
- c. Future of LCRDA Discussion
 - i. Valerie McDevitt, FSU Office of Commercialization, Associate Vice President of Strategic Partnerships and Innovation
 - ii. Roundtable Discussion

Michael Kramer reported an interested candidate for the vacant seat was a recently terminated Leon County employee, and the county attorney is reviewing. Any Board members who have recommendations can share them with staff. All committee assignments are unchanged from last year. Tom Allen noted once all the LCRDA real estate assets have been transferred to the Universities, three assets will remain: cash, the Eisenhower property, bonding capacity.

John Dailey left the meeting at 11:42am.

Valerie McDevitt joined the meeting to share details of her recent attendance at an Association of University Research Parks (AURP) national conference. She provided an overview of the current landscape of university research parks across the US. The parks are diverse in age, components, structure, governance, and resources. Comparatively we are in a strong position, with the combination of private, government, and university occupants. A few other parks have deeply resourced benefactors. She noted the need to improve connectivity in Tallahassee, and to consider repackaging, marketing, and fostering interactivity. Notwithstanding our geographic separation from FSU, a significant advantage of our Park is the extensive available parking. Innovation Park has great potential and already has many of the needed pieces, including the airport, MagLab, FAMU and FSU, and the planned Blueprint Airport Gateway Project road. We also need to stress and promote the significant positive economic impact the Park and the innovation research enterprise has on our community.

Following Valerie's presentation, the Board discussed the future of the LCRDA, the mission of the LCRDA, and the challenges it faces due to its governance structure, the political culture of the region, the competing goals of the key stakeholders, and financial limitations. The Board agreed that the LCRDA economic development mission does not require controlling or owning real property.

The process of a wind-down of the Authority would take an estimated 24 months to complete. Upon a final dissolution, which requires action by the Leon County Commission, at that time, any remaining assets are to be divided between FAMU and FSU.

After a brief discussion of the LCRDA bonding capacity, the Board concluded that without a partner to leverage it, it is not a useful asset as FSU and FAMU both have independent bonding capacity. As a result, there are limited benefits to the Authority model of governance. Once the Lab is transferred, the LCRDA baseline operating costs are estimated to be \$35-40k per month. As noted earlier, LCRDA has sufficient financial resources to fund its operations through FY 2025-26.

The Board agreed it would be appropriate to reach out to our community partners and discuss how we can collaborate and assist with their goals and objectives in the near term. Kevin Graham will reach out to Kyle Clark, FSU Senior VP for Finance & Administration; Tom Allen will reach out to Keith Bowers, Director of the Office of Economic Vitality; and Anne Longman will reach out to Autumn Calder, Director of the Blueprint Intergovernmental Agency.

Kevin Graham offered a motion that the Board create employment certainty for LCRDA staff Ayne Markos and Peggy Bielby through calendar year 2025, planning to revisit the status of the Authority in June 2025 to determine if that certainty should be extended beyond Dec. 31, 2025. Shawnta Friday-Stroud offered a friendly amendment, which Kevin Graham accepted, to extend the period of employment certainty through at least the first quarter of calendar year 2025 until Mar. 31, 2026. Ray Bye seconded the motion which passed unanimously.

11. Adjourn

The meeting adjourned at 1:00pm.

LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY INVESTMENT PORTFOLIO
For period ending Dec 31, 2024

For the Month:

SECURITY OWNED	BALANCE BOM	EARNINGS	ADDITIONS	DEDUCTIONS	BALANCE EOM	YIELD
FL PRIME	\$ 1,960,330.23	\$ 7,826.77		\$ -	\$ 1,968,157.00	4.57%
SPIA *	\$ -	\$ -		\$ -	\$ -	
Undesignated Investments	\$ 1,960,330.23	\$ 7,826.77		\$ -	\$ 1,968,157.00	

NOTABLE ADDITIONS OR DEDUCTIONS TO ACCOUNTS:

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.

Leon County Research and Development Authority
Treasury Report - Combined Balance Sheet
As of 12/31/2024

	Dec-24	Nov-24	Period change		Dec-24	Nov-24	Period change
Asset				Liability and Capital			
Cash Equivalent				Accounts Payable			
Cash- Operating	95,264.19	146,333.30	(51,069.11)	Payables	55,833	59,389	(3,556)
Cash- Construction	52,709	52,709	-	Subtotal	55,833	59,389	(3,556)
Subtotal	147,973	199,042	(51,069)	Deferred inflow			
Receivables				Due to FAMU & FSU(3)	167,949	143,205	24,744
Due from IPTLH	-	1,395	(1,395)	Pension	356,981	356,981	-
Accounts Receivable(1)	14,313	14,213	100	Subtotal	524,930	500,186	24,744
Subtotal	14,313	15,608	(1,295)	Long term Debt			
Investment				FSURF-Principal Note 1 (4)	4,183,580	4,171,724	11,856
Investment	1,968,157	1,960,330	7,827	Subtotal	4,183,580	4,171,724	11,856
Subtotal	1,968,157	1,960,330	7,827	Total Liability	4,764,343	4,731,299	33,044
Property				Capital			
Property (2)	24,590,689.71	24,589,308.19	1,381.52	Unrestricted	(2,515,105)	(2,447,069)	(68,036)
Depreciation	(1,208,436)	(1,158,495)	(49,942)	Invested in capital assets	23,382,253	23,430,813	(48,560)
Subtotal	23,382,253	23,430,813	(48,560)	Total Capital	20,867,148	20,983,744	(116,596)
Prepaid Insurance	26,552.62	17,006.93	9,545.69				
Pension	92,242.00	92,242.00	-				
Subtotal	118,795	109,249	9,546				
Total Asset	25,631,491	25,715,043	(83,551)	Total Capital and Liability	25,631,491	25,715,043	(83,551)

1 FSU & FAMU on CAM Collections- working with both parties

2 Land \$636K, NFIL \$23,000K and Park Planning/Development \$939K

3 Transactions related to building transfer to FAMU&FSU on 9/15/2024. Amount reflects 50% of September rents, most expenses after the transfer and May 2024 tornado related insurance proceeds.

4 Includes Interest Accrued on FSURF Note

Leon County Research & Development Authority
Treasury Report - Combined Cash Flow
Oct 2024 - Dec 2024

Attachment B2
Page 2 of 4

Cash Flow Statement- Direct Method						
Source: Bank Statements:						
Period Ending:	12/31/2024		11/30/2024		10/31/2024	
	Construction - NFIL	Operation - (LCRDA + NFIL)	Construction - NFIL	Operation - (LCRDA + NFIL)	Construction - NFIL	Operation - (LCRDA + NFIL)
Beginning Cash in Bank Balance	\$ 52,708	\$ 183,267	\$ 52,708	\$ 224,594	\$ 52,708	\$ 106,185
Balance FLPrime+SPIA+ MMA		1,960,331		1,952,517		2,044,005
Subtotal- Balance	52,708	2,143,598	52,708	2,177,111	52,708	2,150,190
Deposits		38,673	-	62,241	-	177,106
Payments		(106,464)	-	(95,754)	-	(150,185)
Ending Cash in Bank (all accounts)	52,708	2,075,807	52,708	2,143,598	52,708	2,177,111
Source: Financial Statements:						
Cash Inflow						
Grants, Loans and transfers						
CAM collection		-		364		10,069
Miscellaneous (Insurance, Interest and others)		8,283		24,783		99,695
Rent - LCRDA+Due to FSU & FAMU		30,390	-	37,094	-	67,342
Sub Total - Cash Inflow	-	38,673	-	62,241	-	177,106
Cash Outflow						
Cleared Payment-Operating Expense		(106,464)		(95,754)		(150,185)
Sub Total - Cash Outflow	-	(106,464)	-	(95,754)	-	(150,185)
Ending Cash in Bank (all accounts)	52,708	2,075,807	52,708	2,143,598	52,708	2,177,111
Net Cash Inflow (Outflow) from Operation	-	(67,791)	-	(33,513)	-	26,920
Outstanding Transactions:						
Outstanding deposit						
Outstanding Checks		12,487				16,322
Total Outstanding Transactions	-	12,487	-	-	-	16,322

Period Ending:	12/31/2024		11/30/2024		10/31/2024	
Subtotal - Grants/ transfers/Loans			-	-	-	-
FUQUA collection				364		
CAM- FSURF -Shaw Buildings (Lot6g)						577
CAM- FSURF Lot 1-B-1 Parking - (LotB)						2,652
CAM- -FSURF-A & B						203
CAM-Avalanche Partners (Aval)						875
CAM-Danfoss						5,762
Subtotal - CAM	-	-	-	364	-	10,069
Miscellaneous						
Insurance proceed for tornado damage				15,917		89,683
Shanna Lewis		350		350		-
Miscellaneous		106		702		1,500
Interest		7,827		7,814		8,511
Subtotal - Miscellaneous	-	8,283	-	24,783	-	99,695
Rent:						
General Service Administration (Gs04plfl)		25,733		25,733		25,733
Department Of Transportation (Ip-Dot)						8,739
CareerSource Capital Region (Career)				350		350
Of Agriculture & Consumer Services (Ip-Dacs)				3,351		3,351
FSU Dept: CIMES						2,795
FSU Morgan+Johnson						8,896
Piersica, Inc. a Delaware for profit corp.,		4,140		4,843		7,823
Tally Robotics				2,300		2,300
Nhu Energy, Inc (Nhuenerg)						3,605
la State University Board Of Trustees (Fsutmh)						251
JH Creative, LLC(jhcreati)						421
Quarry Sanitizer, LLC (Quarrysa)		518		518		3,080
Subtotal - Rent	-	30,390	-	37,094	-	67,342
Grand Total	-	38,673	-	62,241	-	177,106
Major Spending						
NFIL Utility- COT		32,486				49,245
Salary + Leave payout				20,451		
Insurance				11,154		11,154
Total	-	32,486	-	31,605	-	60,399

Leon County Research and Development Authority
Treasury Report - Income Statement (Consolidated)
Oct 2024 - Dec 2024

Book = Accrual		LCRDA			NFIL			Consolidated		
		Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Total Revenue		49,395	105,550	(56,155)	15,729		15,729	65,124	105,550	(40,426)
Operating Expenditure										
Total Payroll Expense		124,222	129,990	(5,768)			-	124,222	129,990	(5,768)
Total Utilities		391	500	(109)	49,049	90,000	(40,951)	49,440	90,500	(41,060)
Total Repair/Maintenance		4,637	2,980	1,657	10,897	7,700	3,197	15,534	10,680	4,854
Total Cleaning and Improvements				-			-	-	-	-
Total Services		2,267	5,085	(2,818)	15,123	20,750	(5,627)	17,390	25,835	(8,445)
Total Property Administration		13,474	20,000	(6,526)	8,389	14,550	(6,161)	21,864	34,550	(12,686)
Total Other Expenses				-			-	-	-	-
Total Insurance/Taxes		1,222	7,500	(6,278)	21,289	15,000	6,289	22,511	22,500	11
Total Operating Expenditure		146,214	166,055	(19,841)	104,748	148,000	(43,252)	250,961	314,055	(63,094)
Non-Operating Expenditure										
Total Depreciation & Amortization		5,787		5,787	144,039		144,039	149,825	-	149,825
Total Accrued interest (1)		35,100		35,100			-	35,100	-	35,100
Total Non-Operating Expenditure		\$ 40,887	\$ -	\$ 40,887	\$ 144,039	\$ -	\$ 144,039	\$ 184,925	\$ -	\$ 184,925
Total Expenditure		\$ 187,100	\$ 166,055	\$ 21,045	\$ 248,786	\$ 148,000	\$ 100,786	\$ 435,887	\$ 314,055	\$ 121,832
Net Income		\$ (137,705)	\$ (60,505)	\$ (77,200)	\$ (233,057)	\$ (148,000)	\$ (85,057)	\$ (370,762)	\$ (208,505)	\$ (162,257)
		LCRDA			NFIL					
1 Accrued Interest on FSURF Loan										

Florida Statutes

[Chapter 159](#), Title XI, COUNTY ORGANIZATION AND INTERGOVERNMENTAL RELATIONS

BOND FINANCING

PART V

RESEARCH AND DEVELOPMENT

AUTHORITIES

159.701 Purposes.—Research and development authorities, as authorized by ss. [159.701-159.7095](#), are created for the purpose of promoting scientific research and development in affiliation with and related to the research and development activities of one or more state-based, accredited, public or private institutions of higher education; for the purpose of financing and refinancing capital projects related to establishment of a research and development park in affiliation with one or more institutions of higher education, including facilities that complement or encourage the complete operation thereof as defined by, and in the manner provided by, the Florida Industrial Development Financing Act and by ss. [159.701-159.7095](#); and for the purpose of fostering the economic development and broadening the economic base of a county in affiliation with one or more institutions of higher education.

LCRDA Mission Statement

The mission of the Leon County Research and Development Authority, in collaboration with local government, Florida State University, Florida A&M University, and Tallahassee State College, is to foster the startup, growth, and attraction of private companies that create high-wage jobs and contribute to our region's innovation ecosystem.



Leon County Research and Development Authority
1729 W Paul Dirac Drive
Tallahassee, FL 32310

“LCRDA's mission is to promote scientific research and development activities, foster economic development, and broaden the economic base of Leon County by working in affiliation with local, state, and federal government, Florida State University, Florida A&M University and Tallahassee Community College.”

Goals and Objectives – Fiscal Year 2024-2025

1. Work with DEP, FAMU, FSU, EDA, COT to coordinate and transfer the real estate assets inside the park as planned by the end of the fiscal year.
2. Work with the EDA to modify/transfer the appropriate grants to FSU to maximize the economic development and ROI on the Lab building.
3. Determine the highest and best use for Eisenhower site and implement that plan.
4. Engage in a strategic planning process to leverage the LCRDA experience and expertise and determine the long-term vision for the organization and how it can best serve the region.

LCRDA AND ITS INNOVATION PARK: AN HISTORICAL OVERVIEW & A CONCLUSION

I. WHAT IS IT?

The Leon County Research & Development Authority (LCRDA) was established by the Florida Legislature in 1978 and is the statutory 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), as well as, an exceptional and expanding college (Tallahassee State College), an international airport, and the Capitol of the State of Florida.

The mandate given to the LCRDA, in 1978, was to utilize the land in Innovation Park to house highly-regarded research facilities related to our research universities; preeminent private-sector companies; emerging and start-up small R&D companies; and cutting edge state facilities and laboratories. Through the attraction of these R&D performers to Innovation Park, new jobs have been created and regional economies in North Florida have improved.

II. INNOVATION PARK'S DEVELOPMENT SINCE INCEPTION

A. The 1980's

Malcolm Johnson, the first Chair of the LCRDA, began by attracting and welcoming its first tenant to Innovation Park—the Northwest Florida Regional Data Center. Completed in 1984, NWFRDC remains a tenant in Innovation Park to this day. The mid-1980s, saw membership of the LCRDA expanded to add representation from Tallahassee's two universities. The addition of FSU President Bernard Sliger & FAMU President Fredrick Humphries provided a strong university presence on the LCRDA and added to the LCRDA's 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 'first' for Innovation Park: the decision by the U.S. Department of Energy (DoE) to locate one of the nation's first supercomputers at Florida State University and in Innovation Park. Preparing for this new tenant, 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 of this effort by the naming of the Fuqua Research Complex in Innovation Park in his honor. The growth of the Park was also highlighted by the construction of three research buildings during the late 1980s. A prime mover during this period of activity was Robert "Bob" Johnson, FSU's Vice President for Research and FSU's LCRDA designee at the time. One of the research buildings was named after him to recognize his efforts. (The three buildings were named Johnson, Sliger, and Shaw.) Additional university presence in the Park continued with FAMU's research presence in the Centennial Building and FSU in the Collins Building. Innovation Park was growing fast, and this first decade of success was catching the attention of innovative and business savvy community members. Local real estate expertise and private sector perspectives were enhanced with the addition of Frank Shaw, Jr. and Jack Buford to the LCRDA Board in the mid- to late 1980s. Both men contributed greatly

to the Board during this formative period. They were also joined on the Board by another key player—Lee Vause, who represented the Leon County Commission.

B. The 1990's

The decade of the 1990s showed some additional growth in the number of buildings, as well as, in the membership of the LCRDA. In 1991, a change in the Board's founding statute [FS 159.703(3)] led to the addition of the President of the Florida Senate, the House Speaker, and the Chancellor of the State University System. This change led to an enhanced focus on federally funded R&D by the LCRDA with Chancellor Charles Reed participating in the Authority's activities. The Board's expanded membership and federally focused efforts arrived in time to put Innovation Park and the LCRDA in the top tier of a national competition at the National Science Foundation (NSF) for the future location of the Magnetic Laboratory. The NSF decision was made to locate this internationally important R&D resource in Tallahassee and inside Innovation Park. That favorable decision by the NSF was enabled by the LCRDA transferring 23 acres of land in 1991 to FSU for locating the NHMFL within Innovation Park. The location of the NHMFL in Tallahassee, at FSU, was a monumental success for the LCRDA and the State of Florida, while also shaking the "established" research university hierarchy considerably. With R&D activity beginning with the Mag Lab facility's dedication in 1994, the NHMFL is one of NSF's self-described 'crown jewels' and has become a centerpiece of Innovation Park. With over 350,000 square feet of space; employing over 750 scientists, engineers, and support staff; and having a current annual budget of \$71,000,000, the Magnetic Lab remains a jewel in Innovation Park and for Leon County and the State of Florida as well.

C. The 2000's

To begin the 21st Century, in 2000, another change was made in Florida statute that dropped the four positions previously added in the 1991 changes to the 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 leadership on the Authority such as Bruce Host and Jane Sauls from the County Commission, Mark Mustian and Debbie Lightsey from the City Commission, as well as Stan Barnes and Tom Barron, both of whom represented the private sector. These individuals, combined with strong university representation (including Larry Robinson from FAMU) and a major tenant presence (the NHMFL Director was selected as the tenant representative), all contributed to the Authority and Innovation Park in fine fashion. In addition to robust leadership, there were several crucial investments made by the universities during this period as well, including 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—the Center for Ocean, Atmospheric Predictive Studies (COAPS), FSU's new Center for Advanced Power Systems (CAPS), and its internationally recognized Learning Systems Institute (LSI). The R&D returns from these three research powerhouses have combined to exceed several hundreds of millions of dollars of research funding.

These critical 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 cutting-edge research on magnets underway at the NHMFL, Danfoss brought their breakthrough technology, oil-free centrifugal compressors that greatly advance the utilization of magnet technologies in research. 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 along with 286 employees prior to occupying its second building. Danfoss has continued its rise by becoming a world-class commercial leader and innovator -- and the collaborations and synergies magnified by the tenants at Innovation Park has played a key role in those successes.

To complete the first decade of the 21st Century, Innovation Park saw the completion of two additional FSU buildings--the High-Performance Materials Institute (HPMI) and the Aero-space Mechanical Engineering (AME) building. These two state-of-the-art facilities were completed in 2009 and 2010 respectively, built by FSU, 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 was tried and convicted of the crimes. The result was the Park and its Board strengthened its oversight and its fiscal procedures, emerging even stronger from this unfortunate episode.

D. The 2010's

The second decade of the 21st Century saw the Authority continuing to benefit from strong leadership, including from Board members like David Ramsey and Kristin Dozier. During this time, the Board began contemplating the 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 undeniable fact that the Authority had very few revenue sources other than existing lease and rental income. The 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 encountered frequently, and those costs were increasing rapidly. To underscore this income dilemma, the Authority receives no revenue from the city of Tallahassee, from Leon County, or from 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. This would allow 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 has turned out to be a highly successful strategy and has led to the continuation of the LCRDA's mission, through our university partners, of increased R&D infrastructure in Innovation Park, many added jobs in Leon County, and has paved the way for enhanced economic development in this community and beyond.

E. The 2020's

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 the

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 was 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 2025. The IRCB will have almost 120,000 square feet of space, including 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 a robust and growing Innovation Park community.

III. CURRENT STATUS OF LCRDA AND INNOVATION PARK

Currently, Innovation Park has 17 buildings (with 3 more under construction or nearing completion (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 is recognized across the board 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 State College; and numerous private sector leaders—past and present--have played pivotal roles in the development, progress, and successes of Innovation Park, as part of the Leon County R&D Authority. This unprecedented crosscutting community involvement and expertise has led to the many successes the Authority has had and the substantial growth in the number of tenants that Innovation Park has seen over the past 45 years.

As previously noted, the LCRDA receives no regular or annual funding from any government—Federal, 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 unsustainably dependent on leasing income for all of its upkeep requirements.

For example, the Authority's most recent construction venture—the North Florida Innovation Laboratory—is being accomplished with a combination of federal grant funding (from the Economic Development Administration in the U.S. Department of Commerce); local funding from the Office of Economic Vitality; TSC with support from the State of Florida; the FSU Research Foundation; and the LCRDA. Private funding will be necessary for the LCRDA's NFIL 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 crossroads.

IV. A SUCCESSFUL WAY TO CONCLUDE

A. Final Steps

The transfer of LCRDA properties to the two universities—both with strong research missions and track-records has been proven successful by past transfers. Examples include the LCRDA transfer of 23 acres of Park land to FSU for the National High Magnetic Field Laboratory in 1991. Then further by the transfer of 62 acres within Innovation Park to FSU and FAMU in 2013. Overall, the arrangement of transferring property to the universities for their research purposes has been deemed highly successful by all parties. The universities have expanded their land holdings for the purposes of enhanced research infrastructure, regional economic development, and have also upgraded the maintenance schedules of those properties. Highly limited under LCRDA, those much-needed upkeep costs are now included in the universities' facilities maintenance budgets.

Looking to the successful land-transfer model completed in the past with FSU and FAMU, the LCRDA decided that the remaining 24.6 acres and its remaining five buildings (Phipps, Morgan, Johnson, Knight and Collins Buildings), under the purview of its role as steward, could replicate the successful approaches employed in 1993 (with land transferred to the NHMFL) and in 2013 (with 60 acres transferred to FSU and FAMU) as a solution that recognizes a financial certainty, but also allows these proven partners to continue to fulfill the LCRDA mission. This final transfer of land and buildings would complete the full utilization of the 208 acres entrusted to the Authority at its 1978 founding for research and economic development purposes.

Such a decision is extremely difficult to undertake and to then negotiate. Several Board members were key in this process including Chair Kevin Graham, Vice Chair Tom Allen, and Treasurer David Ramsey. Executive Director Michael Kramer was particularly well-suited to handle this big picture approach; the negotiations with the many parties; and the smallest details as well. There are legal issues with the transfer of public properties from one entity to another. There are challenges dealing with two universities in seeking to equitably and permanently divide a finite resource. State agencies are involved; city and county officials as well; a federal agency and its resources are involved; and legal counsels abound and must eventually agree. This process of discussion, negotiation, document development, and Board discussions began in 2023 and continued throughout 2024 and into 2025. But make no mistake, the decision we face now is not the result of anything other than the total success and completion of the task laid before us. The LCRDA took its 208 acres and turned it into one of the preeminent research collectives in the region and the country. This is nothing but a ceremonial end to a mission accomplished.

Imagining the Future

In 2025, the LCRDA board will likely be able to conclude the transfer of the remaining 24.6 acres of the original 208 acres that the Authority began developing in 1978. At that point, the LCRDA Board could recommend to the Leon County Commission that the LCRDA— its mission and activities successfully completed—be dissolved by the County Commission. Such a dissolution action would be undertaken only after all properties and all assets and liabilities had been disposed of appropriately in accordance with the LCRDA mission and charge.*

The final property transfer will achieve the result that the entire amount of the original properties under the Authority's auspices are or will be utilized for research, economic development, and innovation to a degree hardly imaginable fifty years ago when Innovation Park was first created. For the citizens of Leon County; for the officials of Tallahassee and Leon County; as well as for the neighbors in the Innovation Park neighborhood; and for those that work in this center of research and development; Innovation Park has evolved into a booming center of both intellectual creativity and considerable construction activity. Our challenge, as citizens of Leon County, is to try and imagine the next fifty years, where the properties that have been deeded to FSU and FAMU will be fully developed with state-of-the-art research structures and private enterprise activity is flourishing. Visitors to our City and locals returning home will drive toward the Capital City of Florida, marveling at Blueprint's new Airport Gateway to and from the Tallahassee International Airport, circling around a fully-developed Innovation Park area, and heading into downtown Tallahassee. It will be quite a sight and one, if imagined, can only lead to the feeling that this land and its accompanying development tasks and challenges faced by the Leon County Research & Development Authority Board were handled well and the various charges to enhance economic development activities in Leon County given to this Authority were done successfully and completely.

***[EXPLANATORY NOTE:** LCRDA was created in 1978 by charter under state statute. Bonding authority was added in 1979. In 1980, the Leon County Commissioners adopted Ordinance 80-68, which created the LCRDA. As such, the Authority qualifies as a dependent special district. In accordance with Section 189.071, Florida Statutes, the Authority can only be dissolved by the Leon County Board of County Commissioners upon the recommendation of the LCRDA Board. Source: Email from Melissa VanSickle, partner Nelson Mullins, dated May 7, 2023, to Michael Kramer.]

1/2025