

Blueprint Intergovernmental Agency Board of Directors Workshop Minutes

Date: December 13, 2018
To: Board of Directors
From: Benjamin H. Pingree, PLACE Director
Subject: Summary Minutes to Board of Directors Workshop of September 20, 2018

MEMBERS PRESENT

COUNTY	CITY
Commissioner Mary Ann Lindley	Commissioner Curtis Richardson, Chair
Commissioner Kristin Dozier	Mayor Andrew Gillum
Commissioner Nick Maddox	Commissioner Nancy Miller
Commissioner Bryan Desloge	Commissioner Scott Maddox
Commissioner Bill Proctor	
Commissioner Jimbo Jackson	
Commissioner John Dailey	

MEMBERS ABSENT

COUNTY	CITY
	Commissioner Gil Ziffer

I. AGENDA MODIFICATIONS

- Ben Pingree noted a couple of housekeeping items for the workshop agenda:
 - Additional information from Leon County Research & Development Authority (LCRDA)
 - Telephonic participation by Commissioner Ziffer for both the Workshop and Board Meeting.

Commissioner Desloge moved, seconded by Commissioner Dailey, to allow telephonic participation by Commissioner Ziffer.

The motion passed 8-0.

II. DISCUSSION/PRESENTATIONS

1. Workshop on the Office of Economic Vitality's Programs, Actions and Implementation of the Economic Development Strategic/Work Plan

Ben Pingree introduced the item and Al Latimer, Office of Economic Vitality Director, provided a presentation to the Board on the programs, actions, and implementation of the strategic and work plans, which included:

- Advancement of Economic Development Priorities in Tallahassee-Leon County since the Launch of the Office of Economic Vitality
 - Alignment of Minority and Women-owned Small Business Enterprises with the economic development offices.
 - Superior data sets that are easy to navigate and see how Tallahassee-Leon County competes with other jurisdictions that go after the same job proposals and business retentions that OEV does.
 - A Strategic and Work Plan updated to reflect the Targeted Industries Study.
 - Global recognition for industry and magnetic technologies through the ACE 8 Tour.
 - \$155-million total economic impact; assisted in the creation of 173 jobs, and \$18-million in economic or capital investments.
 - Tallahassee MSA Real GDP per capita grew 2.2%, the second highest percent change of the 22 MSAs in Florida in 2017, and outpaced the real GDP per capita growth rates of the State of Florida (.6%: outpaced only by the Space Coast) and the US (1.3%).
- Alignment of the Office of Economic Vitality's Efforts to Maximize Business Vitality and Global Competitiveness
 - Economic Development Strategic/Work Plan
 - Began with 86 action steps and added 67 more as a result of the Targeted Industry Study.
 - 19 were complete
 - 49 were actively engaged currently
 - 41 would begin in 2019
 - Optimization of Committee Structures to Maximize Private Sector Partnerships
 - Transitions the Economic Vitality Competitiveness Committee away from the large group to specialized Taskforces allowing for specific objectives and timelines, to convene as needed, and be comprised of expertise matched to the objectives.
 - Ongoing engagement of business leaders and stakeholders, developing skills and talent necessary for tomorrow's workforce.
 - The 36 original members would continue to be engaged with the taskforces

Commissioner Miller was uncomfortable with the structure as it reminded her of past approaches to economic development. The intention with the whole effort was to open it to other aspects to the economy to capture additional opportunities. Furthermore, she did not see where innovation was included with the exclusion of arts and entrepreneurship.

- Team Restructure
- Engaging, Educating, Equipping and Empowering Minority, Women, and Small Business Enterprises
 - Disparity Study, which would provide guidance to mitigate economic segregation, would be complete for the December 13, 2018 Intergovernmental Agency Board Meeting.

- Staff, in conjunction with MGT of America, drafted a response to the Harvard Study on Economic Inequality and Economic Segregation; included in the agenda material.
- Targeted Industries: Focusing on Global Competitiveness in Applied Sciences (Magnetic Technologies)
 - Staff dedicated to support development of applied sciences and manufacturing
 - Dedicated marketing plan branding Tallahassee as the Magnetic Capital of the World.
 - Next steps: conduct a site inventory, implement 13 Work Plan actions, align Capital LOOP with Targeted Industries, and establish an industry presence.
- Funding Implementation: Economic Development Sales Tax Program
 - FY 2020 – FY 2024 Sales Tax Revenues Estimates, specifically regarding the 12% Dedicated to Economic Development
 - Projected revenues through 2024 with 3% inflator agreed upon by City and County Budget offices and Blueprint
 - Blueprint 2020 Economic Development Capital Projects
 - Tallahassee Airport
 - Annual allocations from the \$14.1 million allows the Airport the planning tools necessary for to pursue grant awards.
 - Protects the Intergovernmental Agency from debt services.
 - Convention Center
 - Up to \$20 million to be built by FSU as a part of the development of the Arena District on the Tucker Civic Center site.
 - Staff recommended updating the needs analysis to determine the metrics and other operational details.
 - Capacity to bond, up to \$20 million if the study warranted it, as early as Fiscal Year 2020.
 - Next steps: continue to work with the Bond Counsel in preparation for future bonding, work with Florida State University (FSU) (the project lead and funder of the updated study)

Commissioner Proctor requested clarification on who held the \$20 million. Ben Pingree confirmed that the BPIA would fund up to \$20 million of the project, however, FSU would fund, aggregated through the Arena and Madison Mile Districts, considerably more. Commissioner Proctor supported the project as well as preparations and positioning of the Agency to bond \$20 million. Additionally, he requested a workshop with the DeVen Group and FSU to allow the Board the opportunity to clarify the vision for the community and parameters of agreement. He cited the experience and lessons learned through renovations at the Civic Center years earlier and expressed his desire for thorough conversations with all parties before committing to the project.

Commissioner Scott Maddox agreed with Commissioner Proctor noting that both governments were financially responsible for overages at the Civic Center. Additionally, the City allocated an annual appropriation for meeting room renovations

as part of a temporary arrangement that continued into the present. He supported the request for a workshop for clarifying conversations. Overall, the project was an asset for Tallahassee. The updated study was necessary, as the original one did not contemplate the connection to the Turnbull Center, a boutique hotel, or Madison Mile. The Board needed that information to make an informed and educated decision about the effects to constituents. As well as the preliminary discussions of a use agreement as to how the space within would be allocated ensuring that constituents would have open access since the project included their tax dollars.

Commissioner Scott Maddox requested that if there was to be a cost for advance funding that it be borne by the project, not by the Blueprint budget. Similar to the Airport project, the allocations would be received as the tax revenues were generated. He was not opposed to advanced funding if FSU felt it necessary, however, the cost of that should come from the project.

Commissioner Dozier supported the commitment to the project and bonding the \$20 million. However, she was concerned with the long-term impacts to the budget. She supported creative approaches and the oversight requested by Commissioner Proctor and Commissioner Scott Maddox.

Commissioner Proctor emphasized the importance of the use agreement on the facility. FSU grew and operated under its own Master Plan and such an agreement would be necessary for the City and County as well as the community at large, to be included. The temperament of leadership could change with successors and having the agreement in writing and a secured understanding protected all parties and guaranteed public access to a facility funded through public dollars. Furthermore, there could be a reimbursement clause included to take effect once the facility was profitable.

Commissioner Richardson supported the project and processes discusses. He also agreed with the importance of further conversation to clarify and define the terms of agreement for payback of the advance funding costs and use of the facility by the City, County, the community, and organizations that might not have the financial resources to afford it otherwise.

- Economic Development Proposals in the Interlocal Agreement
 - Continue to evaluate the following proposals:
 - Entrepreneurial Development Fund
 - Minority and Women Business Investment
 - Technology and Innovation Incubators
 - Economic Opportunity Rapid Response
 - South Monroe/Adams Corridor Catalyst
 - Direct staff to take no further action currently:
 - Business Retention, Expansion, and Attraction – completed and implemented by OEV
 - Quantum Leaps and Signature Festivals – completed and implemented by Tourism

- Raising the Ship Talent Development – completed and implemented by OEV and Career Pathways Council

Commissioner Miller requested clarification on the items for no further action. Ben Pingree stated that the proposals for no further action were on items where the Board previously took action and a community partner had stepped forward as well. Thereby allowing the Board and staff to focus their capacity on the identified Target Industry sectors, with which the Board previously aligned OEV's limited resources. It did not preclude the Board from, in the future, elevating any of the three to active status, should the need arise.

Commissioner Miller specifically noted the implementation of micro-loans and questioned which of the proposals that program aligned with. Mr. Pingree stated that it would come under Minority and Women Business Investment. She was concerned that small businesses would not be included. Mr. Pingree reassured her that it would be Minority, Women, and Small Business enterprises.

Commissioner Proctor was reluctant to relinquish an active stance or suspend activities on talent or workforce development. Mr. Pingree clarified that staff engagement would not be suspended. Each of the three areas were places where community partners were taking the lead and OEV staff would continue to engage through collaboration and support. Speaking to the optics, Commissioner Proctor expressed his wish for the OEV name and brand to be included as a declaration of leadership.

Mayor Gillum requested additional information on talent development. Mr. Pingree stated that at a high level, it focused on education and access to education for everyone: K-12, skilled labor, up and through magnetics, which was an area where Tallahassee was globally competitive. Co-creative partnerships focused specifically on Raising the Ship Talent Development were necessary and the K-12 school system, Career Source Capital Region, and the Chambers of Commerce were OEV's best partners in accomplishing that goal particularly through the expansion of Leon Works, the IO (???...sounds like "I owe") Academies, and other models.

Mayor Gillum stated that those organizations and programs existed prior to OEV and yet the talent gap remained. Part of the impetus for Raising the Ship was to level the field and ensure access to talent development and training in part for people who might not be able to afford or pay to get access. The organizations mentioned were not new partners and offered no new initiatives. The Board previously debated the economic development strategy for the community to ensure it was not one that used taxpayer dollars as incentive to recruit or accelerate specific developments but one that also focused on and funded talent development as well. He did not support pulling back on the proposal but rather perfecting it thorough redefining it and the ways to lift people up.

Commissioner Lindley expressed appreciation for the hard work and optimism of staff, did not feel it was the right time to pull back on the three listed initiatives because she, and the Board, would like to participate for a while longer.

Commissioner Dozier suggested modifying the language to reflect the progress made while acknowledging the work that was still necessary. She suggested that the Board could better serve the community by allocating the limited resources available into workforce training programs that allowed for rapid response to particular sectors of recruitment such as advanced manufacturing training. To focus the available resources in areas that supported the community's return on investment rather than spreading the through a variety of programs.

Commissioner Nick Maddox spoke to them importance of the language used and the perception it created based on the apparent benefit to the individual. "Take no further action" did not fit with the community or the sentiment of the Board. Furthermore, it negated the importance of business retention, talent development, etc. It implied that everyone was completely satisfied with the outcome and he, and the Board, wanted more. He suggested using transitional language that acknowledged progress and the left it open for future action.

Commissioner Richardson agreed with the sentiments expressed by his colleagues, and spoke talent gap that existed in the community; evidenced in his time working with Lively College. The dearth of talent existed with college graduates as well as with blue-collar trades or medical technicians. He did not want to send the message to the community that OEV or the Intergovernmental Agency Board thought things handled and were moving on.

Ben Pingree noted that was certainly not the intent of staff and noted the removal of Action Item #7 from Board consideration. OEV staff would continue with the initiatives and collaborations in the various proposals, elevate new opportunities that arise in the future, and maximize resources as best possible.

Mayor Gillum clarified that it was less about the signal communicated to the community. It was about the choices made and actions taken by the Board to improve the situation. There was a very real gap between the current workforce skills, the ones needed for advancement, and the skills that employers need for their businesses.

Commissioner Proctor questioned if there was staff fatigue, burnout, or need for expansion with the recognition that they cannot do it all. He suggested exploring that more closely and adding positions support the areas to remain vibrant and strong.

Ben Pingree noted that the language was "clean up" of the Sales Tax Committee process and reassured the Board that staff would continue to focus on each of the areas outlined. He acknowledged the celebration of the accomplishments of the first two years and looked forward excitedly to the next twenty.

- EDA Disaster Grant Opportunity
 - Supports plans to develop an incubator at Innovation Park and aligned with key drivers of economic development and success.
 - LCRDA was the grant applicant and sought out OEV for a 60:40 funding match to address student retention, or \$2.5 million.

- Aligned all of the resources and assets at Innovation Park: FSU and FAMU research, Mag Lab, College of Engineering and identified and acknowledge the need for wet lab space as well as the opportunity for entrepreneurial investment.
- Leverage \$2.5 million into \$17 million for the community

Commissioner Lindley moved, seconded by Commissioner Desloge, to approve Action Items #1 – 6 and the modified Action Item #8.

Action Item #1: Accept the update on the Economic Development Strategic/Work Plan for Tallahassee-Leon County toward ongoing economic growth actions.

Action Item #2: Transition the Economic Vitality Competitiveness Committee to targeted and strategic taskforces, to include Magnetic Technologies, Leon Works Expo, Manufacturing and Data, to provide specific feedback on competitiveness within the target industries and amend agreements, if necessary.

Action Item #3: Accept the OEV restructuring plan in order to optimize the shared human and technical resources.

Action Item #4: Commence the bond financing process for the issuance of up to \$20 million toward the convention center as early as October 2020 (FY 2021), subject to the IA Board's final approval of the scope, size, and operations plan for the hotel and convention center.

Action Item #5: Continue to participate with FSU in the market and feasibility analysis for the hotel and convention center and be brought back to the IA Board upon completion with staff recommendations.

Action Item #6: Continue to evaluate the following economic development proposals required by the Interlocal Agreement, with guidance from the EVLC, and to the IA Board for consideration.

REVISED Action Item #8: Issue a letter of support for the 40,000 square foot high-tech incubator as presented in the LCRDA proposal and pledge \$2.5 million. Should LCRDA be awarded the grant, direct staff to bring an agenda item on February 28, 2019 identifying the next steps, funding strategy to meet the grant requirements, and any necessary agreements to formalize the IA's participation in the project.

The motion passed 12-0 with Commissioner Scott Maddox out of chambers.

- Fiscal Year 2019 Operating Budget Summary
- Fiscal Year 2020 – FY 2024 Preliminary/Draft Operating & Capital Projects, Business Incentives, & Grants Budget Summary
- Next Steps

Action Item #9: Accept the OEV Preliminary Draft FY 2020-2024 Budget Summary

There was no discussion of the draft budget or action taken by the Board.

Commissioner Dozier spoke on a non-agenda-ed item but related to magnetics. Due to technical difficulties with the microphones, neither the audio nor the video recordings captured her comments. **STAFF NOTE: Commissioner Richardson can be heard saying: "noted; we will get that agenda-ed."** Commissioner Dozier continued to address the Board. Ben Pingree stated that the Board would have the opportunity to discuss it in detail in the Board Meeting on Item #11.

Commissioner Miller reiterated the importance of OEV and appreciated the opportunity to workshop issues specific to that office, to drill down and participate more thoroughly in the decision-making. She recommended that future meetings be 'separate but together' with the Blueprint Infrastructure program. The return on the investment would be extraordinary to the Agency and community. It would also be of benefit to the new Commissioners getting up to speed on

III. CITIZENS TO BE HEARD ON NON-AGENDAED ITEMS

3-minute limit per speaker; there will not be any discussion by the Commission

Speakers: None

IV. ADJOURN

The meeting adjourned at 3:14 p.m.

*The next Blueprint Intergovernmental Agency Board of Directors Meeting
is scheduled for*

Thursday, September 20, 2018 at 5:00 p.m.