

MEETING: BIOSCIENCE LAND PROTECTION ADVISORY BOARD

- 1. CALL TO ORDER AND ROLL CALL:** October 19, 2006, Florida Atlantic University-Jupiter Campus, Lifelong Learning Center, Room PC151, Palm Beach County, Florida.

(County Commissioner Marcus announced that the meeting was being hosted by the county. She thanked the Public Affairs Department and the Clerk and Comptroller's office for their involvement.)

ROLL CALL:

Chair County Commissioner Karen T. Marcus
Alternate County Commissioner Addie L. Greene - Absent
City of Palm Beach Gardens Mayor Joe Russo
Alternate City of Palm Beach Gardens Councilman David Levy
Town of Jupiter Mayor Karen J. Golonka
Alternate Town of Jupiter Councilor Robert Friedman
Vice-Chair City of Riviera Beach Councilwoman Liz Wade - Arrived late
Alternate City of Riviera Beach Councilwoman Norma Duncombe
Town of Lake Park Mayor Paul Castro - Absent
Alternate Town of Lake Park Vice-Mayor Ed Daly - Absent
Town of Mangonia Park Mayor William Albury - Absent
Alternate Town of Mangonia Park Councilwoman Peggy Cook - Absent
Governor's Office Representative John R. Smith
Alternate Governor's Office Representative Sara Misselhorn
Deputy County Clerk Judith Crosbie

(CLERK'S NOTE: The Chair invited Lee Leffingwell, Town of Mangonia Park manager, and Patrick Sullivan, Town of Lake Park acting manager, to sit with the board members and alternates.)

2. APPROVAL OF MINUTES

Motion to approve the minutes of the previous meeting. Motion by Mayor Russo, seconded by Mayor Golonka, and passed unanimously.

3. EXPEDITED PERMITTING STATUS

Commissioner Marcus said this item would be rescheduled to the November meeting.

4. PRESENTATION BY DR. RICHARD LERNER

At Commissioner Marcus' introduction, Dr. Richard Lerner, Scripps Research President, said he would respond to questions following his remarks.

Dr. Lerner stated that:

- Success of the experiment was experienced throughout the state through the events that came about because of Governor Jeb Bush's initiatives.
- Scripps Research Institute was on track and was "firing on all cylinders." Although the temporary building was over-crowded and the occupants might be unhappy because of it, that was good news for the management team because it meant that recruiting was progressing successfully.
- Because he was an accomplished experimentalist, offers were being made to join his team rather than his team seeking recruits.
- Being in partnership with the county, the various cities, and other entities was a good place to be.
- As far as the state was concerned, scientific literature showed that everyone had their eyes on Florida as a new, happening place for bioscience. The governor was noted in *nature* magazine – the bible of his industry. Everyone was beginning to understand that Florida was here, not only to play but to win.
- What happened following the transaction with the Scripps Research Institute in Jupiter were the Torrey Pines Institute in Port St Lucie and the Burnham Institute in Orlando. With the Burnham Institute came the medical school, the Veterans Administration (VA) hospital, perhaps a children's hospital making it a future medical destination. What happened in the Anderson Center in Houston would happen there.
- The medical center in Houston was a piece of land owned by the Anderson Foundation with a set of bylaws and certain criteria to fulfill. For example, a not-for-profit group doing good work was required to buy the air conditioning and parking from the Anderson Corporation and those fees, in turn, paid for the infrastructure. Housed there were a VA hospital, a children's hospital, a couple of research institutes and 55,000 jobs. It was like a city. That is what would be seen in Orlando.
- South Florida and the corridor being addressed would be more of a science destination than a medical destination.

- Palm Beach County wanted to be known as the place to be for serious science.
- He conjectured, without mentioning specific names, that in the near future it would be astounding to see institutes and organizations trying to find a home in this neighborhood.
- Although much had been said about incentives to make the effort self-sustaining, he thought more needed to be done. It was necessary to reach a point at which people could not afford to not be here.
- These things come in three stages: Stage One, nobody wants to be there; Stage Two, they should be there; and Stage Three, they have to be there. Collectively we must endeavor to tip the scale to, "I have to be there."
- He was working very hard on not only building out his institute to fulfill the promises and dreams, but on building both the academic and commercial infrastructure that must follow.
- He knew of, but was not authorized to identify by name, biotech incubators that were being built here and people who were acquiring land for that purpose.
- He knew the mayor had got some interesting plays in line and incidentally, there was no reason why Richard Houghton of Port St. Lucie could not locate a portion of his company in Jupiter as well.
- If Scripps were the first out of the shoot with lab space, where else would Mr. Houghton go? He knew Mr. Houghton well. He worked at Scripps. Mr. Houghton would be price- and proximity-sensitive, but a corridor was emerging between Port St. Lucie and Jupiter.
- The IBM endeavor was going forward and that was a nod to Boca Raton. Boca Raton needed to be successful in these transactions. It had certainly been a play of good will. There were some who would not go anywhere else but to the cluster in Jupiter, some would be perfectly happy to locate in Boca and others, anywhere else.
- The cluster was happening. The people who were playing were unwilling at the moment to tell exactly who they were and what they were doing because they were public trade organizations. Efforts were going forward and those people would identify themselves when they felt comfortable enough.

Dr. Lerner invited questions and said he would return to his view of incentives and what needed to be done in the next round to move from, “I want to be here,” versus, “Do I have to be here?”

In response to Mayor Golonka’s inquiry about the need for more wet-lab space, Dr. Lerner said that without wet-lab space, they could not attract the biotech industry that they wanted. He said lawyers and venture capitalists would be immediately attracted. He cautioned, however, that although wet-lab space was needed they should not be overbuilt. He said if enough was done within six months, everyone would be comfortable and they would be competitive. Once enough wet-lab space was realized, it would create a reservoir, he stated. He said between 50,000 to 100,000 square feet of lab space had been planned and about 50,000 square feet were under construction, although that amount was on the low side of what was needed. He said a new start-up group would need about 10,000 sq. ft., but for someone who had already been through a few rounds of funding, they would probably acquire all of that space.

Dr. Lerner commented that developers needed to be convinced that the biotech business was lucrative and they should be encouraged to build space according to specification.

Dr. Harry Orf, Vice-President of Scientific Operation for Scripps Research Institute, at Dr. Lerner’s request, informed the group that the “seeds” were here and developers were looking here as well. He said some developers were already building and renovating spaces and others in the blue chip venture firm community were also looking to locate or invest here. He said about 50,000 sq. ft. were now under construction which could facilitate about four to six biotech groups if those groups were at the incubatory point. Dr. Lerner added that these groups would have been enjoying a \$10 million investment as start up.

Mayor Russo inquired about improving the perception of the industry to lure people to the county.

Dr. Lerner responded that the scientific community looked at results, the happenings, and *nature* magazine reports. He said three famous institutes showed up in spite of everything and scientific organizations came because other organizations wanted them to come. He said because of that, Orlando and South Florida had been giant successes. He suggested more practicality and less public relations.

In response to Councilman Levy, Dr. Lerner said a *Science Art* magazine’s article, stating that Palm Beach County was not a good place to be, would have no bearing on a positive article published about Palm Beach County by *nature* magazine.

Dr. Lerner said some people would want to cluster and to come to Jupiter; however, the marketplace would decide regarding Riviera Beach, Boca Raton and other areas.

Councilwoman Duncombe asked what must be done to make people feel compelled to locate here. Dr. Lerner said a couple more years and a few more incentive dollars were needed before the county would get to that point.

Dr. Lerner commented on a talk he had with the governor's lawyer regarding what could be counted as a match against the state money. He said if Orlando was studied carefully, tissue sample, roads, and land went into the balance column to justify the match. He said South Florida could enjoy state funds at a rate based on the amount of the match.

Ms. Misselhorn asked why it was so important to companies like Scripps to get state and local scientific grants to help them move forward, in light of what was happening at the federal level.

Dr. Lerner explained that his group was not a company. He said they worked in a manner similar to Massachusetts Institute of Technology (MIT) and Harvard. He explained that they would take a young person and give them a few million dollars and offer that person to pay himself for the rest of his life. He said all of their scientists had a contract with the federal government to do a specific task. If they were a company they could make a business decision and because they were not a business, they had no bottom line, he stated.

A scientist had a nine percent chance of obtaining a grant from the federal government—the lowest in history, Dr. Lerner stated. In spite of that, the three institutions that came to Florida were increasing their grants particularly because of the screening center in Florida which incentivized them to be more competitive, he continued.

Mayor Russo asked about collaboration with other state universities. Dr. Lerner answered that the relationship was going well, better than he had anticipated and that the university systems had been the biggest champions for these transactions.

(CLERK'S NOTE: Commissioner Marcus welcomed Councilwoman Wade who had just joined the meeting. Commissioner Marcus also announced the presence of at least three reporters and an editor from the *Palm Beach Post*.)

Kelly Smallridge, president of the Business Development Board, said conversations had been held at the local level about the incentive program and how much should be allocated to continue to attract groups such as Dr. Lerner's and for-profit companies to the county.

Ms. Smallridge said she had not yet seen a life-science company relocate to this area without incentives. She asked Dr. Lerner about the likelihood of companies moving to the county without incentives given the current infrastructure and maturity of the cluster.

Dr. Lerner said that if everything else was in place, life-science groups would come without incentives but the county was not at that point yet. He commented that Scripps had not received incentives in La Hoya. He pointed out that distinction should be made between companies and academic organizations. Companies could elect to do as they wished with their bottom line but the science industry work under the grant system, which was a contract between the government and an investigator to do a piece of work to make a discovery.

Commissioner Marcus commented that although a starting inventory of incubator space was identified, private investors in other communities should accumulate an inventory as well to be competitive when other groups came. She said private developers who wanted to be competitive could also join in.

Dr. Orf said one of the tricks that developers had learned was to build a base set of infrastructure for laboratory space and not to build out 100 percent of the amenities. First, this minimized the developers' up-front costs and second, laboratory companies were not as generic as laboratory space could sometimes be because different companies had different laboratory requirements. He said the initial up-front investment should be built to the point where the space could be quickly finished or customized. He stated that about 100,000 to 300,000 square feet would be needed within the next three years, depending on the venture community. If the industry could get the smart money to follow, then the space would be available, he added.

In his explanation of smart money, Dr. Orf said that the venture community that had historically invested in the biotech industry had patience money and did not expect a ten-fold return in three years. Those groups did not bring only money to the table but also brought the ability to triage ideas and concepts to see which would be platforms for biotechnology companies. He said smart money was needed as well as scientific minds and entrepreneurs to determine what the platforms for investment would be.

Commissioner Marcus suggested and Dr. Lerner agreed that other cash incentives should be provided in addition to in-kind incentives for others that may consider moving to this county. Dr. Lerner said the community should decide what it was willing to spend to lure the industry here. He suggested that cash should be in place and the community could evaluate the company's worthiness of receiving it, he stated.

Dr. Lerner also suggested that the community should not accept everyone that came but invitations could be sent and the responses prioritized according to quality. He said the county would be pleased with quality from people that he knew who were interested in coming. He contended that as the county moved forward from, "I want to be here" to, "I have to be here," it must be in a position in which it could ask for and review a company's business plan then decide to accept or reject that business.

Mayor Russo suggested a plan be put in place to prevent the perception of being disorganized. He suggested the county and cities formulate a plan through their respective bodies to initiate an incentive program.

Dr. Lerner said applications should be adjudicated on criteria such as merit and community fit. He said the same stood true for Tallahassee because it was not consistently clear what constituted a match. The rules should be known, he stated.

Commissioner Marcus recalled earlier discussions on incubator space to attract groups. She said there were some existing businesses such as Florida Turbine that could do quick conversions, yet those companies were not offered any incentives to prepare accommodations in advance.

Councilwoman Wade suggested and asked Commissioner Marcus to look into bringing the lending institutions to the table to discuss incentives.

Ms. Smallridge commented that if the state compiled another incentive package, it should be ready in advance to prevent scrambling at the last minute. She commented that during her involvement with Torrey Pines, the state clearly gave guidance on the rules in terms of the amount of cash necessary and how much in-kind revenue was needed. The state allowed a certain percentage to be in-kind, either through the universities or cities, but about 80 percent of the project had to come in the form of cash. She suggested that the team be ready for the next wave of funding that might preserve the 50/50 percent match from the state.

Ms. Smallridge explained that during the Torrey Pines negotiations, land was considered cash and in-kind funds included some of the services provided by FAU, collaboration and research, sharing of scientists among the departments, and naming rights to the building.

Commissioner Marcus commented that the cash side of the transaction posed a struggle for local governments. She said Ms. Smallridge's set of criteria would be helpful in future decision-making.

Assistant County Administrator Shannon LaRocque inquired about the level of the anticipated future groups, considering the demographics of the research groups that were already here. Dr. Lerner responded that the next group would fit somewhere in the middle of those already here.

Dr. Lerner, in his final remarks, said it was critical that they knew exactly what they were going to do and not scramble every time someone showed up. Mayor Russo said the county should develop a program that the cities could mirror in an effort to react to other groups that anticipate coming. He suggested a future meeting to discuss designation of Port St. Lucie impact fees as a funding source. He said they needed to study everyone to stay competitive.

Commissioner Marcus said because of time constraint, the county commission could not react now. She suggested that the Business Development Board put together ranking criteria.

Dr. Lerner added that the groups that were going to show up next would be suitable. However, the next ten would be more evenly spaced and a decision would have to be made amongst them. He said if the governor set aside new money, it would be far more than they could match.

Commissioner Marcus suggested that everyone start looking for funding sources. Councilman Levy commented that even though they may need a little more now, people were going to want to pay them to be here as the communities got more competitive.

Dr. Lerner said all the things that are needed to build a vibrant community would come but they needed to bring high-powered health care into the transactions.

Mr. Levy recommended dialog with the local hospitals to improve the effort. Ms. Wade suggested the Veterans Hospital (VA) be included. Dr. Lerner agreed and stated that the VA hospitals were seen as very vibrant, first rate health care that delivered.

Ms. Smallridge said they formed a life-science strategic team recently and met with Pete Martinez to map out the science and assets that were currently in the county, then figured out where the gaps were so that they could select and go after key companies that they wanted here. The work was in the very early stages but the team would reach out to Dr. Orf and others in an attempt to garner companies that would be a good fit for the county. The team would work with the advisory board to organize the effort.

When asked about the match by Dr. Lerner, Ms. Smallridge said she was unable to discuss the details of the IBM project. However, she divulged that her group had been working on two solid applications, the first to be announced in January

2007 and the second project was in the early stage. They also had other prospects, Ms. Smallridge added. She said that because of Scripps' presence in Palm Beach County, life-science represented about 40 percent of the prospects.

Commissioner Marcus reiterated that it was important that the Business Development Board formulate a short-term plan to establish how to gauge the offers, especially those they wanted to accept. She said the cities could also have some dialog on funding sources and that possible matches could be county, city, private donation, Florida Atlantic University, and other entities.

Commissioner Marcus thanked Dr. Lerner for his role in informing the scientific community that this county is the place to be.

Ms. Wade inquired about private donations and asked if a foundation would be in place to accept those donations. Commissioner Marcus suggested the Business Development Board consider the issue for long term purposes. She said short-term private donations would go directly to the institute. Dr. Lerner added that in general, the community foundations tended to service community purposes but that he did not see why the community could not have a foundation.

Ms. Smallridge said some of the best publicity they received had been in San Diego. Dr. Lerner added that about 80 percent of the scientists in the world knew not just about the State of Florida but about Palm Beach County.

Commissioner Marcus said Dr. Lerner's visit had been helpful and she asked him to come back in a few months.

(CLERK'S NOTE: The Life Science Report was taken at this time.)

9. UPDATE FROM LIFE SCIENCE COMMITTEE

Casey Steinbacher stated that the Life Science Committee was founded by the North Palm Beach Chamber of Commerce after a nine-month task force study on bioscience. She reported that:

- The committee's purpose was to look at community infrastructure.
- An invitation letter had been sent to all of the cities in north county requesting their participation.
- To date, the City of Palm Beach Gardens had been the only one to join.

- They were working closely with the Business Development Board (BDB) on recruitment-related activities.
- They were also working with the City of Palm Beach Gardens to create its economic development incentives program.
- A specific role that could be addressed from the Life Science Task Force, on behalf of the Life Science Community, was education. They worked with the school district specifically in the area of Kindergarten through 12th Grade to educate parents and students that life science was an opportunity and career path.
- Working in conjunction with the life-science cluster, a DVD and brochure were being developed.
- The group met the first Wednesday of each month at 4:00 p.m. at FAU in the vice-president's conference room.

5. STATUS OF COMPREHENSIVE PLAN AMENDMENTS

Shannon LaRocque said because the comprehensive plan status report was given at the last meeting, there was nothing further to report. She said she would be helping the Town of Mangonia with its process.

(CLERK'S NOTE: The Scripps report was given out of agenda order.)

7. SCRIPPS UPDATE

Assistant County Administrator Shannon LaRocque reported that:

- Ribbon cutting for Scripps' second temporary facility would take place October 23, 2006 and construction would commence on October 20, 2006.
- She would be reviewing the contract price for the permanent facilities within the next week—two months earlier than anticipated.

Commissioner Marcus said she had given a sample of the overlay that others had done to the Town of Mangonia Park's representative to aid them in achieving compliance and in the Comprehensive Plan transmittal process. She asked the participants to contact her office with their proposed transmittal dates.

6. **BRANDING/MARKETING SUBCOMMITTEE UPDATE**

Palm Beach County Public Affairs Director Beth Ingold-Love reported that:

- At the last meeting the group agreed on the name, “The North County Life Science Corridor.”
- She suggested inclusion of information in the Business Development Board (BDB) literature that would be Economic Development Board (EDB) marketing.
- When the EDB completed its package, for the sake of consistency her group would design something to be included with the literature.
- Discussion might be held on an avenue of communications that needed to be employed to commute the name internally to residents. That might not be a marketing effort as much as it was a public communication issue. The residents would become familiar with what The North County Life Science Corridor was. The name could be shortened but it was important to talk about the familiarity that residents had with the name. The topic needed to be addressed.

Commissioner Marcus sought the group’s feedback on either being part of the BDB production or if the county should develop its own product and include it with the BDB literature. Ms. Love added that the group needed to decide how much public information it wanted to distribute.

Ms. Smallridge said she had a rough draft and reviewed the features that included focus on the strength of the community and key life-science companies and logos, with emphasis on Scripps, schools, transportation and quality of life. A complimentary DVD would also be included.

Ms. Wade asked if any emphasis was placed on Suncoast High School which was listed among the top ten schools in the nation. Ms. Smallridge said they focused on the schools that offered bioscience. Commissioner Marcus suggested a one-page insert be included in the BDB package. Ms. Ingold was asked to formulate a design for the board’s consensus.

Mayor Russo said the cities would be doing things that the residents would have to accept so it would be an easier process if they understood what the committee sought to accomplish. He said residents needed to be reminded periodically.

Ms. Love suggested working with the communication’s person in each city or community to develop an overall plan for public outreach then report back to the group for approval.

8. UPDATE ON STATE FUNDING

Sara Misselhorn informed the group that:

- An update of the Scripps Florida annual report was provided at the last meeting. However, the funding corporation was updating the report through September 30, 2006.
- It was requested that Information from the county level be included. The report would be finalized in November, along with the Scripps Florida business plan.
- The report would be made available to the group in December, 2006.

Commissioner Marcus asked Ms. Misselhorn to extend the group's invitation to the governor and whomever he chose to accompany him to the November or December meeting. She said the group would have an opportunity to show what it had accomplished as well as to hear his suggestions and advice.

10. UPDATE FROM THE BUSINESS DEVELOPMENT BOARD (BDB)

Kelly Smallridge informed the group that:

- Last year the BDB attended Bio 2006 in Chicago. This year it would be in Boston on May 6-9, 2007.
- The BDB benefited from attending as part of the state's booth. Palm Beach was the largest county in the state's booth.
- This year Enterprise Florida would be represented as part of the southeastern United States pavilion. The BDB was in negotiations with Enterprise Florida to determine what piece they could use to promote Palm Beach County. The BDB would be taking a team of education, business and municipal leadership.
- In November they would be attending the state show and in February/March, they would be engaging in a Familiarization Sites Selection Tour. The BDB received leads from site selection consultants throughout the county. The BDB would be bringing in eight to ten of those companies, in addition to some key prospects. The event would be timed with the Honda Classic. The group was working with the city and the chamber to host participants for 2.5 days, showcasing the county for two days and ending with a half-day at the Honda Classic.

Commissioner Marcus added that the Honda Classic would attract top golfers. Mr. Russo stated that everyone would want to attend next year because steps were being taken not only to improve the golf courses but the entire area. He said that the attractions would be geared toward the entire family.

Ms. Smallridge said Bio in Boston was being open to the municipalities as well.

She said the show this year would be held in Gainesville.

11. NEW BUSINESS – None

12. PUBLIC COMMENT – None

13. NEXT MEETING – NOVEMBER 16, 2006

Commissioner Marcus announced that the November 16, 2006 meeting would be hosted by the Town of Jupiter, possibly in the Community Center at 2:00 pm.

Mr. Russo suggested flexibility with the meeting date if the governor agreed to accept their invitation.

14. ADJOURNMENT

At 3:56 p.m., the chair declared the meeting adjourned.