

ADD ON

Agenda Item 6I-1
Time Certain
10:30 A.M.

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: 8/15/06 Consent Regular
 Ordinance Public Hearing

Department

Submitted By: County Administration

I. Executive Brief

Motion and Title: STAFF REQUESTS BOARD DIRECTION: regarding the request of the Business Development Board to provide a local match requirement to the State of Florida for incentives to: a) Torrey Pines Institute for Molecular Studies, Inc. (The Institute) a non-profit public benefit corporation to relocate to Boca Raton in the amount of \$21,000,000 over a three year period at \$7,000,000 annually and b) IBM/Scripps partnership to create a core site containing the world's fastest supercomputer to perform advanced research on pandemic viruses in the amount of \$9,000,000.

Summary: The Institute is currently located in San Diego, California at a staffing level of nearly 80 scientists, post doctoral researchers, technicians and administrative support specialist. The Institute has a current operating budget of approximately \$9,000,000 and occupies nearly 30,000 sq. ft. of wet laboratory space and 9,000 sq. ft of office space, an estimated 21,000 sq. ft. of shared space (i.e., conference rooms, reception areas, security stations, etc.) for a total of approximately 60,000 sq. ft. The Institute is looking to expand in Boca Raton with state and local incentives. The original local request of Palm Beach County was \$37,000,000 and Boca Raton's contribution included ten (10) acres of land valued at \$10,000,000 plus 15,000 sq. ft. of leased temporary space. After further discussions the request of Palm Beach County was reduced to \$21,000,000 to be allocated over a three year period at \$7,000,000 per year. The State will match dollar for dollar of all local funding for this project. This investment will yield 174 newly created positions and 15 relocated positions for a total of 189 positions over a ten year period with an average salary of \$56,600. In addition, a permanent 100,000 sq. ft. building would be constructed, of which 15,000 sq. ft. is allocated for incubator space. The cost to construct the building is estimated at \$25,000,000. If the company fails to create the agreed upon jobs, they have offered to convey the building to Palm Beach County. City of Boca Raton will address the disposal of the land if the goal is not accomplished. The Institute further offered to create outreach programs specifically for high school science teachers and students, as well as internship programs for college students and to encourage and actively support the creation of spin-offs.

IBM and The Scripps Research Institute Institutional Consortium was created on February 16, 2006 and will function as a for profit company. This collaborative initiative will conduct advanced research on pandemic viruses utilizing talent and technology from both companies. This effort will create a proactive approach to address the imminent threat from the avian flu and future emerging infectious diseases resulting in Palm Beach County and the State of Florida being propelled to international attention. IBM is the grant applicant and has requested \$9,000,000 from the County to match State funding of \$9,000,000. IBM/Scripps has also applied for a \$526,000,000 grant from the federal government for this project. If funded, the project will establish a core site containing the world's fastest supercomputer that will revolutionize research on Avian Influenza and other infectious diseases. A Center of Excellence will be established and its knowledge and expertise will be made available to other institutions in the county and state, thereby benefitting the state's science education community. This project will yield 24 jobs at an average salary of \$97,800 for IBM and 18 jobs at an average salary of \$61,000 for Scripps over 5 years. IBM/Scripps have pledged to promote outreach programs for community relations, education and collaboration.

Background and Policy Issues: The BCC has approved the bio-life science industry as a targeted cluster industry for Palm Beach County. The County has successfully recruited The Scripps Research Institute to Palm Beach County. TSRI is currently operating out of a temporary building and is expected to expand to a second temporary building until their permanent structure is complete in the northern sector of the county. If both of the requests identified above are approved, the southern sector of the county will be anchored by FAU, Boca Community Hospital, IBM/Scripps and Torrey Pines.

Recommended By: Verdenia C. Baker 8/14/06
 Deputy County Administrator Date

Approved By: [Signature] 8/14/06
 County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	_____	_____	_____	_____	_____
Is Item Included In Current Budget?	Yes___ No___				
Budget Account No.:	Fund___ Agency___ Org___ Object___				
	Reporting Category___ Various___				

B. Recommended Sources of Funds/Summary of Fiscal Impact

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Administration Comments: If direction is given to fund these requests, there will be a future financial commitment of \$30,000,000. The \$30 million would be provided through a County bond issue or loan with an estimated \$2.5 million in annual debt service payments.

Elizabeth Chase

 OFMB 8/14/06

N/A

 Contract Administration

B. Legal Sufficiency:

[Signature]

 Assistant County Attorney 8/14/06

C. Other Department Review:

 Department Director