Issue: Memorandum of Understanding between University of South Florida Board of Trustees and University of South Florida Research Foundation for Purchase of Real Property

Proposed action: Approve Memorandum of Understanding to advance the purchase of real property to expand the USF Research Park of Tampa Bay.

Background information:

The University of South Florida Board of Trustees has an opportunity to expand its biotech research and academic development efforts by acquiring an undeveloped tract of land currently owned by Florida Health Sciences Center, Inc. Significant, developable and desirable land will be cut off from the University if the land is used for commercial (retail) development.

The University of South Florida Research Foundation has exercised an option to purchase the property, which is located adjacent to its USF Research Park of Tampa Bay (Research Park).

Workgroup Review: Finance & Audit Workgroup, 10/10/05

Supporting documentation: Memorandum of Understanding between University of South Florida Board of Trustees and University of South Florida Research Foundation, Inc. for Purchase of Real Property

Prepared by: Allison Madden
MEMORANDUM OF UNDERSTANDING

BETWEEN

UNIVERSITY OF SOUTH FLORIDA BOARD OF TRUSTEES

AND

UNIVERSITY OF SOUTH FLORIDA RESEARCH FOUNDATION, INC

FOR

PURCHASE OF REAL PROPERTY

This Memorandum of Understanding (MOU) is entered into this _____ day of ____________, 2005 by and between the University of South Florida Board of Trustees (UBOT), a public body corporate, and the University of South Florida Research Foundation, Inc. (USFRF), a Florida not-for-profit corporation and a direct support organization organized pursuant to Sec. 1004.28, Florida Statutes.

WHEREAS, the UBOT has an opportunity to expand its biotech research and academic development efforts by acquiring property currently owned by Florida Health Sciences Center, Inc., a Florida not-for-profit corporation, said property being adjacent to its USF Research Park of Tampa Bay (Research Park),

WHEREAS, the UBOT has acquired $7,000,000 in state funding to acquire land to expand its Research Park and USFRF has exercised an option to purchase real property (hereinafter “the land”) identified by the legal description as set forth in Attachment A attached hereto and incorporated herein, and

WHEREAS, Florida Health Sciences Center, Inc. desires to sell this land immediately,

NOW THEREFORE, in consideration of the terms and conditions set forth hereafter, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, UBOT and USFRF hereby agree as follows:

1. USFRF will secure the additional financing (non-state appropriated funds) necessary to complete the purchase of the land;

2. USFRF will acquire the land subject to UBOT approval of the terms of acquisition;

3. USFRF will finance the development of the needed infrastructure;
4. USFRF will work with the City of Tampa and other appropriate governmental entities to produce a Development of Regional Impact (DRI) for development of the land that is acceptable to UBOT;

5. USFRF will work with USF colleges and USF affiliates to plan, attract and develop research and development facilities on this land;

6. USFRF will manage the financing and construction of research and development facilities on this land;

7. USFRF will work in partnership with the USF Office of Research, the City of Tampa and Hillsborough County to manage the facilities constructed on this land.

8. For UBOT, USFRF will hold the land which cannot be sold, donated or otherwise transferred without UBOT approval.

Background

Consistent with the academic mission approved by the UBOT, the Research Park houses entities and personnel focused primarily on biotechnology and life sciences research and entrepreneurship. The Research Park implements USF President Judy Genshaft’s vision of the University’s role in stimulating regional economic development by joining unique research and academic strengths of the University with economic development strengths in the region. This collaboration combines the region’s economic force with the University’s strong research programs in medicine, engineering and the basic sciences, as well as established partnerships such as those with the H. Lee Moffitt Cancer Center and Research Institute, Tampa General Hospital, All Children’s and the James A. Haley Veteran’s Hospital. The region is home to more than 370 medical device businesses that contribute about 51,000 jobs and more than $5 billion annually to the region’s economy.

The Tampa Bay and the High Tech Corridor offer Florida an existing base of biotech and medical device industry on which to build and compete for the growth in capacity and the associated jobs and incomes that such growth provides.

The City of Tampa, County of Hillsborough, and the Florida High Tech Corridor are USF’s partners in developing the Research Park to create new bio-manufacturing jobs in the Tampa Bay region.

The current geographic concentrations of the biotech and medical device industry reflect existing and past location advantages. However, conditions related to advantage of certain locations can be changed, and may be affected by state and local actions such as the creation of resources to support research and new product development. USF and its partners in Tampa Bay strive to create business conditions that encourage growth by making available facilities and funding.
University facilities provide critical capabilities that would otherwise be cost-prohibitive to many new and growing high tech companies and research projects. For example, USF is already investing in biotech development in Tampa Bay and has built a facility to house a technology business incubator and other technology-based businesses. The Florida Medical Device Manufacturers Association is now headquartered in this building and works on developing medical device companies in this area.

Incubator companies want to locate in the USF incubator to get shared access to equipment they could not afford to either purchase or maintain.

Studies show that incubated companies enjoy a significantly higher probability of success and are more likely to locate in the region in which they are already successful.

**Limited Opportunity**

The land, currently an undeveloped tract, south of Fowler Avenue, serves as an open gateway for this vital expansion option for USF. Significant, developable and desirable land will be cut off from the University if the land is used for commercial (retail) development.

Part of becoming a hub for biotech development in the Tampa Bay area requires recruitment of existing companies from other states. The opportunity to offer private businesses the significant capital advantages associated with residence in the Research Park is a consistent point of interest to potential recruits. The acquisition of twenty-eight contiguous acres represents a significant advantage when recruiting a flagship biotech anchor to the Research Park.

**Plan**

UBOT will continue this development by providing $7,000,000 funding for the purchase of the land and working cooperatively with USFRF to:

a. Secure the additional financing (approximately $2,000,000 in non-state appropriated funds) to supplement the $7,000,000 in state funding necessary to complete the purchase of this land;

b. Acquire the land subject to UBOT approval of the terms of acquisition

c. Finance the development of the needed infrastructure;

d. Work with the City of Tampa and other appropriate governmental entities to produce a Development of Regional Impact (DRI) for development of the land that is acceptable to UBOT;

e. Work with USF colleges and USF affiliates to plan, attract and develop research and development facilities on this land;
f. Manage the financing and construction of research and development facilities on this land;

g. Work in partnership with the USF Office of Research, the City of Tampa and Hillsborough County to manage the facilities constructed on this land.

h. Hold the land which cannot be sold, donated or otherwise transferred without UBOT approval.

It is understood and acknowledged by the parties that this MOU is not itself a legally-binding document and it is further understood and acknowledged by the parties that their signing of this MOU indicates only that the document accurately reflects the points of agreement between the parties as of the Effective Date.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be executed by their undersigned officials as duly authorized.

University of South Florida for and on behalf of the Florida Board of Trustees, a public body corporate.

Name ____________________________  Name ____________________________
Title ____________________________  Title ____________________________
Attachment A

Legal Description of Parcel as follows:

Lot 3, LESS that part conveyed to the State of Florida in O.R. Book 2132, Page 782, of the public records of Hillsborough County, Florida, Lot 4 and Lot 5, LESS the East 622 feet thereof, of TAMPA INDUSTRIAL PARK, according to the map or plat thereof recorded in Plat Book 34, Page 79, of the public records of Hillsborough County, Florida.