

**Revised Agenda Item #15  
for  
Meeting of Tuesday,  
January 25, 2022**

**CONSENT:**

15. Acceptance of the FY 2021 Annual Domi Education Inc. Entrepreneurial Community Impact Report and Authorization to Execute a New Lease Agreement  
*(County Administrator/ County Attorney/ County Administration)*

**Option revised to include the adoption of the Resolution in support of the Business Incubator Facility Lease Agreement.**

# Leon County Board of County Commissioners

## Revised Agenda Item #15

January 25, 2022

**To:** Honorable Chairman and Members of the Board

**From:** Vincent S. Long, County Administrator

**Title:** Acceptance of the FY 2021 Annual Domi Education Inc. Entrepreneurial Community Impact Report and Authorization to Execute a New Lease Agreement

<b>Review and Approval:</b>	Vincent S. Long, County Administrator
<b>Department/ Division Review:</b>	Alan Rosenzweig, Deputy County Administrator Ken Morris, Assistant County Administrator Ben Pingree, Director, Planning, Land Management, and Community Enhancement (PLACE)
<b>Lead Staff/ Project Team:</b>	Cristina Paredes, Director, Office of Economic Vitality (OEV) Scott Ross, Director, Office of Financial Stewardship Drew Dietrich, Deputy Director, OEV Kim Vickery, Real Estate Management

### **Statement of Issue:**

This item seeks Board acceptance of the FY 2021 annual Domi Education Inc. (Domi) Entrepreneurial Community Impact Report; and seeks authorization to negotiate and execute a new five-year lease at the current below-market rate of the County-owned building. As directed by the Board, this item also provides an overview of a funding request for interior improvements to the County-owned building leased to Domi.

### **Fiscal Impact:**

This item has a fiscal impact. The five-year lease with Domi would be at a below-market rate. The current annual base rent is \$1.00 plus payment of operating expenses (currently \$4,086 annually) in return for providing the community a comprehensive technology-driven business incubator program and related services.

### **Staff Recommendation:**

- Option #1: Accept the Domi Education Inc. Entrepreneurial Community Impact Annual Report for FY 2021 (Attachment #1).
- Option #2: **Adopt the Resolution (Attachment #4) and** authorize the County Administrator to negotiate and execute all documents necessary for a new five-year Business Incubator Facility Lease Agreement at a base rent amount of \$1 plus Domi's payment of operating expenses **and all other conditions consistent with the Resolution**, subject to legal review by the County Attorney.

## Report and Discussion

### **Background:**

This item seeks Board acceptance of the FY 2021 annual Domi Entrepreneurial Community Impact Report for its continued investment in the entrepreneurial ecosystem (Attachment #1). This item also seeks **approval of the Resolution (Attachment #4) and** authorization to work with Domi to negotiate and execute a new lease with the County for five years at the current below-market rate plus operating expenses. The current lease expires May 31, 2022. As directed by the Board, this item also provides an overview of a funding request for interior improvements to the County-owned building leased to Domi.

**Pursuant to Section 125.38, Florida Statutes (2021), Domi, as a nonprofit corporation organized for the purposes of promoting community interest and welfare, may make a request to the Board for the lease of real property to be used for such purposes. The Board, if satisfied that the property is required for such use by Domi and is not needed for County purposes, may lease the property to Domi without the need for an advertised bid. This procedure requires the adoption of a resolution by the Board.**

Acceptance of this report advances the following Strategic Initiative approved by the Board as part of the FY2017-2021 Strategic Plan:

- *Implement the Economic Development Strategic Plan as adopted and may be revised by the Intergovernmental Agency. (2016-6)*

This particular Strategic Initiative aligns with the Board's Economy Strategic Priority:

- *(EC2) Support programs, policies, and initiatives to attract, create, and promote expansion of business, entrepreneurship, and job creation.*

The Board has long maintained a strong focus on supporting entrepreneurship to spur job growth in Leon County. On October 29, 2013, Leon County entered into a public-private partnership with Domi to operate an urban business incubator program in a County-owned warehouse that formerly housed election equipment. Other major partners at that time included Florida State University (FSU) and Florida A&M University (FAMU). On May 22, 2014, the Domi incubator facility, also known as Domi Station, held its Grand Opening and has been in operation ever since. At that time, the County entered into a five-year lease agreement with Domi through May 31, 2019, to establish a below-market rental rate for using the county-owned warehouse as an incubator facility. Domi Station is operated privately by Domi Education Inc. as a tenant in a County-owned facility.

On March 27, 2018, the Board approved a three-year lease agreement, which will expire on May 31, 2022. Under the agreement, Domi pays an annual base rent amount of \$1 plus operating expenses for the incubator facility in return for providing the community with a comprehensive technology-driven business incubator program and related services. Domi must also submit an annual report detailing the incubator activities, programs, members, and businesses from the previous fiscal year.

Since Domi formed as a 501(c)3 in 2013, Leon County has directly invested \$408,000 from general revenue funds to support the incubator and co-working space development. The County's overall investment has included \$250,000 in improvements to the County-owned warehouse facility and the funding of the extension, installation, and sponsorships for entrepreneurial events and programming. More recently, Domi has received financial support for various operational and programmatic elements including an annual contribution of \$12,000 by the Office of Economic Vitality (OEV) to provide broadband services to the facility and its users. OEV also awarded Domi a grant for \$25,000 in 2019 to support the Third Act program. In addition to this, in 2020, Domi received a \$40,000 grant via the CARES Act through the County to fund co-working, incubation, and mentor network operations, which included PPE, software, and personnel expenditures. Lastly, in 2021, the City and County Commissions approved \$150,000 in funding from the American Rescue Plan ACT (ARPA) over two years to support Domi's efforts to incubate new businesses, provide additional online services, and facilitate operational adjustments in light of COVID-induced challenge. These financial contributions are in addition to funding secured by DOMI for personnel, operations, and programming.

### **Analysis:**

Leon County and Domi regularly collaborate to support the entrepreneurial community and cultivate an environment for job creation. Domi's mission is to create an environment where high-growth entrepreneurs can develop sustainable companies by providing education programs, mentoring, resources, and coworking space. In partnership with OEV and other community partners, Domi also provides entrepreneurs business services to cultivate successful businesses.

As a direct result of the County's partnership and investment, Domi has supported over 250 business start-ups, served almost 600 coworkers, and hosted or organized nearly 900 events to date. Domi Station has successfully supported entrepreneurs and their companies through critical stages of the entrepreneurial process. In 2020, Domi worked with the Florida State University's Center for Economic Forecasting and Analysis to estimate the organization's impact on the local economy utilizing programmatic data from 2014-2019. Based on this analysis, Domi's overall direct, indirect, and induced economic impact at \$109.5 million in economic output, 942 jobs, and \$39.4 million in wages for that reporting period. In 2021, Domi conducted a subsequent analysis which found that for FY 2020-2021, the incubator supported the creation of 418 direct, indirect, and induced jobs, paying \$23.9 million in annual wages, for a total economic output of \$73.892 million. In total, since Domi's formation in 2014, Domi has generated over \$182 million in economic impact.

For FY 2021, Domi reports its support generated \$25 million in yearly revenue and over \$18 million in member business investments. Domi continues to grow its overall economic impact and shows a large, positive trajectory for FY 2022. The metrics for the past year are on par and close to exceeding results in its first six years and estimate about ~\$100 million in economic impact.

In June 2021, Domi's executive leadership changed from Bill Lickson to Robert Blacklidge. Mr. Blacklidge (MBS, MS MIS, and a USAF Veteran) is a seasoned entrepreneur as demonstrated through ownership of ten companies, and has dedicated the last half-decade to helping others reach their business goals. Through the facilitation of programs such as 1 Million Cups, Startup Grind,

Techstars Startup Weekend, and others, he has mentored numerous companies and founders. Since joining the Domi Station team in 2021 during the COVID-19 pandemic, he has quadrupled the number of participants enrolled in Domi's incubation programs from eight to 47 in FY 2021 alone.

The COVID-19 global pandemic uniquely affected Domi and its member businesses that operate as incubators and co-working spaces under one roof. However, this was also a challenge to demonstrate the incubator's adaptability and ability to accommodate entrepreneurs. As detailed in the annual report, the incubator installed individual mailboxes, hand sanitizer stations, acrylic barriers, and a UV ionization HVAC purification system to ensure that coworkers could safely use the facility throughout the pandemic due to CARES Act funding from the County. Since 2020, the County has provided \$40,000 to Domi through the CARES Act. These funds were utilized to install COVID-19 safety equipment, expand online mentorship, and increase enrollment in its Gear Up and Ascend start-up education programs. Domi has also leveraged the County's investment through operating income, grants, and partnerships with the local institutions of higher education. Domi also migrated all its incubation program curriculum online, making coursework, workshops, mentor meetings, and access to resources available virtually, thus widening the area of services available to entrepreneurs.

#### FY 2021 Entrepreneurial Community Impact Report

FY 2021 marks Domi's seventh year of full operation. Domi's FY 2021 Annual Report details program impacts, highlights, partnerships, support, and planned next steps. A summary of the report is in the following sections. Some notable success stories from the past year include:

- Domi was accepted as a Certified Partner with HubSpot for Start-ups. This certification allows the incubator to use HubSpot programming for training workshops and provides entrepreneurs with many resources to use for free or at steeply discounted prices.
- Domi secured a partnership with Google for Nonprofits, including a \$10,000 monthly award, to create new targeted Google Ads driving membership, training, and participant recruitment.
- Domi secured a partnership with Grow with Google, providing free workshops, training, and tools for start-ups.
- Domi continued to successfully offer its Gear Up, Ascend, Third Act, TLHMentors.org, and events in virtual formats for expanded business services.
- The incubator partnered with Envision, COCA, Knight Foundation, OEV, Big Bend Minority Chamber, Capital City Chamber, and others to fund scholarship initiatives for the programs mentioned above and are focused on start-ups in underserved communities as well as technology and arts entrepreneurs.
- Promotion and growth of Domi's Third Act Community of 50+ entrepreneurs and mentors was continued, and virtual events were hosted and attended by over 100 participants.
- Lastly, the capabilities and capacity of the community-wide Tallahassee Mentor Network platform, [TLHMentors.org](https://tlhmmentors.org), has been expanded to serve the specialized needs of starting

and growing businesses at Domi Station and the other community entrepreneurial ecosystem partners.

### *Program Impacts*

In an effort to measure and benchmark Domi's job creation successes in the community, additional reporting requirements took effect during FY 2017. These include tracking the number of jobs created by incubator members within the Tallahassee metropolitan statistical area and, where possible, data on the businesses' valuation and revenue information.

Since its inception in 2014, Domi reported the following economic impact metrics:

- Number of total Domi Members: 95
- Number of Monthly Active Members: 88
- Number of Mentor Sessions: 434
- Number of new entrepreneurs participating in Domi's programs: 63
- Total Investment amount raised by Domi participating businesses: \$18,116,400
- Total member business sales: \$133,015,645
- Total number of jobs created by incubated businesses: 1,542
- Total economic impact: \$182,000,000

### *Program Highlights*

In FY 2021, Domi worked with FSU Center for Economic Forecasting and Analysis (CEFA) to conduct an economic impact analysis the incubator has had on the Tallahassee Metropolitan Statistical Area (MSA) during its existence. Based on Domi's direct impact and graduate business data, the CEFA impact analysis found that the incubator supported the creation of 418 direct, indirect, and induced jobs, paying \$23.9 million in annual wages, for a total economic output of \$73.892 million. This impact is largely driven by graduate business revenue and job creation. These numbers capture the indirect and induced job creation and expenditures catalyzed by trainee and graduate businesses – hence the larger total figures than above. Companies' graduates were also from a diverse cross-section of sectors, including Printing, Amusement and Recreation, Advertising and PR, Couriers, Computer Systems Design, Specialized Design Services, Breweries, and Architecture & Planning.

Utilizing a grant provided by the Office of Economic Vitality, Domi initiated the Third Act programs in 2019 and successfully entered its third year of the program, which recruits and engages entrepreneurs and mentors 50+. This program reached out to older adults in Tallahassee and welcomed them as mentors, founders, and company builders into the entrepreneurial community. Domi will continue to connect older adults to start-up, and mentorship opportunities in the Leon County region in partnership with other organizations focused on this demographic to best serve them.

### *Partnerships, Support, and Events*

Much of Domi's success can be attributed to its partnerships and sponsors throughout the community. Domi continues to work closely with Leon County's higher education institutions,

including FSU, FAMU, and TCC, as well as a variety of private or quasi-private organizations like the Greater Tallahassee Chamber of Commerce, Florida League of Cities, First Commerce Credit Union, and Florida Blue. These partnerships demonstrate the importance of Leon County's initial investment in the incubator facility to nurture the entrepreneurial ecosystem. In addition, Domi launched and facilitated a COVID taskforce with various community partners, including OEV, to provide both up-to-date health guidelines and business resources, as well as funding opportunities throughout the pandemic for member businesses. Finally, Domi staff participated in OEV stakeholder meetings, created to foster communication about the local economy and response efforts during the pandemic and keep stakeholders apprised of ongoing entrepreneurship programming. Domi staff also maintains a partnership with WFSU.

Volunteer mentors also provide direct support to Domi's programs and its members with advisory assistance and services to start-ups across multiple industries and disciplines. Mentors represent a variety of fields from public, private, and educational entities and offer start-ups valuable support to help them succeed.

From October 1, 2020, through September 30, 2021, Domi hosted or organized over 40 events with over 450 attendees. These events are detailed on page 15 of the annual report, including Mentor nights, workshops and meetings, Gear Up Labs, Monthly Masterminds, student events, pitch events, and community events.

The COVID-19 pandemic adversely affected American businesses and entrepreneurship ecosystem amenities, and Domi also experienced impacts. Nonetheless, Domi continued its flagship Gear Up, Ascend, and Third Act programs by adapting to socially distanced co-working and providing programming through online channels. Domi is looking ahead to 2022 to scale its programs and events to serve more start-ups and growing businesses and operate the facility according to health and safety protocols. Domi's planned expansion and "10X" model over the next five-year horizon seeks to expand the number of entrepreneurs incubated to over 1,000 and multiply its cumulative economic impact to over \$1 billion within ten years. The 10X goal will be pursued by expanding virtual and in-person business incubation programs, specialized mentorship, events, the growth and improved utilization of the current Domi Station co-working space, and the expansion of partnership collaborations across the entrepreneurial ecosystem.

#### New Five-Year Lease

In addition to accepting the annual report, this item seeks authorization to work with Domi to negotiate and execute a new lease with the County for five years at the current below-market rate plus operating expenses. Domi is currently in the final year of its three-year lease option, which is set to expire on May 31, 2022. Domi has requested that the County maintain the current annual base rent amount of \$1.00 plus operating expenses (currently \$4,086) for the incubator facility in return for providing the community with a comprehensive technology-driven business incubator program and related services. The County's provision of the physical incubator facility, combined with Domi's development services, access to funding, and the facilitation of community collaboration and culture, contributes to a holistic entrepreneurial ecosystem in Leon County.

Executing a new lease for five years provides Domi, and local entrepreneurs and early-stage start-ups that utilize the space, certainty that the facility will continue to be available for use through May 2027. Given the entrepreneurial activities at Domi Station that continue to provide substantial value to the community's entrepreneurial ecosystem, including significant opportunities for networking and collaboration across disciplines and organizations, this item seeks authorization for the County Administrator to execute any and all documents necessary to execute a new lease utilizing the current lease terms and conditions.

#### Tenant Improvement and Funding Request

On December 14, 2021, the Board directed staff to bring back an agenda item related to Domi's request for interior improvements to the County-owned building. Domi is seeking \$100,000 to enhance the facility's operational capacity which include:

- Building six micro-offices with LED lighting and HVAC vents.
- Removing plastic wall sheathing and replacing with drywall.
- Removing walls and counters to open up space and add support headers.
- New furniture and technology.

Additional details on these improvements can be found in Attachment #2. The improvements are allowed under the lease agreement and would typically be funded by the tenant. However, Domi is seeking \$100,000 to fund the upgrades to the building. Since Domi is requesting to maintain its current below-market lease rate for the building, the County is unable to finance the tenant improvements over the life of a new lease. Domi does generate income by charging rent to the entrepreneurs and early-stage start-ups using the space but the funding is reinvested into programming and operating expenses.

As stated previously, the County provided an initial \$250,000 investment for improvements to the building in 2013 and provided \$75,000 to support Domi's broadband needs from FY 2016 – FY 2018 (now supported by OEV). OEV has a process for evaluating non-competitive economic development proposals that seek to enhance the local economy. Therefore, staff recommends Domi seek funding through OEV for the requested tenant improvements. Under OEV's "Evaluation of Non-Competitive Economic Development Proposals Policy," (Attachment #3) direction from the Blueprint Intergovernmental Agency Board is needed to initiate the formal evaluation process. The next Blueprint IA meeting is scheduled for February 24, 2022.

#### Conclusion

The entrepreneurial activities at Domi Station continue to provide substantial value to the community's entrepreneurial ecosystem, including significant opportunities for networking and collaboration across disciplines and organizations. As the front door for business resources and economic development in our community, OEV continues to serve as the conduit for monitoring and managing the contract that outlines the responsibilities of Domi Station. Leon County has continued to demonstrate its focus on supporting entrepreneurship to spur job growth in the community, and Domi Station has been a key partner in these efforts since its opening in May 2014. The Board's acceptance of this annual report and Domi's request for a new five-year lease



will ensure that entrepreneurs and early-stage start-ups further their success and continue building the community's entrepreneurial ecosystem.

**Options:**

1. Accept the Domi Education Inc.'s Entrepreneurial Community Impact Annual Report for FY 2021 (Attachment #1).
2. **Adopt the Resolution (Attachment #4) and** authorize the County Administrator to negotiate and execute all documents necessary for a new five-year Business Incubator Facility Lease Agreement at a base rent amount of \$1 plus Domi's payment of operating expenses **and all other conditions consistent with the Resolution**, subject to legal review by the County Attorney.
3. Do not accept the Domi Education Inc.'s Entrepreneurial Community Impact Annual Report for FY 2021.
4. **Do not adopt the Resolution and** do not authorize the County Administrator to extend the Business Incubator Facility Lease Agreement with Domi at this time.
5. Board direction.

**Recommendation:**

Options #1 and #2

**Attachment:**

1. Domi Entrepreneurial Community Impact Annual Report for FY 2021
2. Domi Financial Request
3. Blueprint Intergovernmental Agency - Policy 114 – Evaluation of Non-Competitive Economic Development Project Proposals
4. **Resolution in support of the Business Incubator Facility Lease Agreement**

**RESOLUTION: R22-\_\_\_\_**

**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF LEON COUNTY, FLORIDA, PURSUANT TO FLA. STAT. §125.38, OF ITS INTENT TO LEASE SPACE FOR A BUSINESS INCUBATOR AT LEON COUNTY AMTRAK COMPLEX TO DOMI EDUCATION, INC., A CORPORATION NOT FOR PROFIT**

**WHEREAS**, the Board of County Commissioners (the “Board”) of Leon County, Florida (the “County”), on October 29, 2013, adopted Resolution No. 13-69 thereby authorizing the lease of the former warehouse building at the Amtrak Complex on Railroad Avenue (the “Amtrak Warehouse”) to Domi Education, Inc. (“Domi Education”) for use as a Business Incubator, as hereinafter defined, and said lease is due to expire on its terms on May 31, 2022; and

**WHEREAS**, the Board has determined that it is the County’s best interest to continue to promote the business support program established by Domi Education, which accelerates the successful development of start-up companies by providing entrepreneurs with a selection of targeted resources and services, thereby producing successful companies that leave the program financially viable and freestanding, with the potential to create jobs, revitalize neighborhoods, commercialize new technologies, and strengthen the local economy (such program is referred to as a “Business Incubator”), and that such provision of a Business Incubator represents a valid public purpose; and

**WHEREAS**, the Board recognizes that critical to the continued success of a Business Incubator is the provision of management guidance, technical assistance, and consulting tailored to young growing companies, along with access to appropriate and affordable spaces in which to conduct business, shared basic business services and equipment, and technology support services and assistance in obtaining the financing necessary for company growth (hereinafter such services are referred to as “Incubation Management and Operation Services”); and

**WHEREAS**, in order to provide support for the continuation of a Business Incubator in the local community, the Board has determined that it is in the County’s best interest to continue to designate its Amtrak Warehouse for use as a Business Incubator; and

**WHEREAS**, the Board has determined that it is in the County’s best interest to continue its agreement with Domi Education to exclusively provide Incubation Management and Operation Services for the Business Incubator at the Amtrak Warehouse; and

**WHEREAS**, the Domi Education is organized as a Florida non-profit corporation, with its primary purpose to establish and operate Business Incubators, and seeks to provide such Incubation Management and Operation Services; and

**WHEREAS**, the County and Domi Education are desirous of setting forth their understandings in a new written lease agreement (“Lease”) regarding the continued use of the

Amtrak Warehouse for a Business Incubator and for continuing to provide Incubation Management and Operation Services for such Business Incubator; and

**WHEREAS**, the Board has determined that the new Lease of the Amtrak Warehouse for a Business Incubator is required for Domi Education to continue to provide its Incubation Management and Operation Services, and that the Amtrak Warehouse is not needed for any other County purposes;

**WHEREAS**, this Resolution is adopted pursuant to the provisions of Section 125.38, Florida Statutes, which allows the County to lease its real property interests to a corporation or other organization not for profit which may be organized for the purposes of promoting community interest and welfare if the Board is satisfied that such real property interests are not needed for County purposes, are used for a public purpose or to promote community interest and welfare, and are needed for such use, which findings, price, and term for such lease are to be recited in a resolution.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of County Commissioners of Leon County, Florida (the "Board"), assembled in regular session this 25th day of January, 2022, as follows:

1. That pursuant to Section 125.38, Florida Statutes (2021), Domi Education is a corporation not for profit within the meaning of such Statute.

2. That Domi Education, for purposes of continuing to provide Incubation Management and Operation Services for the Business Incubator, has requested that the County enter into a new Lease with Domi Education for the Amtrak Warehouse, comprising approximately 7,700 square feet of building floor space, located at the Amtrak Complex, 918 Railroad Avenue, Tallahassee, Florida, as depicted on Exhibit "A" attached hereto and made a part hereof (the "Premises").

3. That, with the provision of Incubation Management and Operation Services for the Business Incubator, Domi Education's use of the Premises will be for a public use within the meaning of Section 125.38, Florida Statutes.

4. That the lease of the Premises to Domi Education is required for such public use by the Domi Education, and that the Premises are not needed for any County purpose.

5. That the Premises shall be leased to Domi Education at a below-market annual base rent amount of One Dollar (\$1), plus an annual operating expenses amount based on the actual operating expenses paid by the County in the final annual rental period just ended in the original 2013 lease, in consideration of Domi Education's covenant and agreement to use the Premises as a Business Incubator and to provide Incubation Management and Operation Services for such Business Incubator.

6. That the term of the Lease shall be for five (5) years and shall commence on June 1, 2022, and in each annual rental period after the initial annual rental period, the operating

expenses amount shall be adjusted to reflect the actual operating expenses paid by the County in the previous annual rental period just ended.

7. That the initial five-year term of the Lease may be continued at Domi Education's option for one (1) additional period of three (3) years (the "Continuation Period"), at the same below-market annual base rent of One Dollar (\$1), plus an annual operating expenses amount based on the actual operating expenses paid by the County in the previous annual rental period just ended.

**DONE AND ADOPTED** by the Board of County Commissioners of Leon County, Florida, on this the 25th day of January, 2022.

LEON COUNTY, FLORIDA

By: \_\_\_\_\_  
Bill Proctor, Chairman  
Board of County Commissioners

ATTESTED BY:  
Gwendolyn Marshall Knight, Clerk of the  
Court & Comptroller, Leon County, Florida

BY: \_\_\_\_\_

APPROVED AS TO FORM:  
Chasity H. O'Steen, County Attorney  
Leon County Attorney's Office

By: \_\_\_\_\_

The Amtrak Warehouse  
(918 Railroad Avenue)

