



Legislation Text

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Letters of Intent - Altavian, Inc. and University of Florida (B)

The City Commission review and approve business terms associated with Letters of Intent (LOI) from Altavian, Inc. and the University of Florida for available space at the Catalyst Building.

As the City Commission is aware, the Catalyst Building located at 606 SE Depot Avenue has been vacant since the departure earlier this year of Prioria Robotics, Inc.

Staff has been working with Front Street to market the space and recently Letters of Intent (LOI) were presented on Altavian Inc.'s and UF's behalf to Management with business terms that can be supported by staff.

Altavian, Inc., is a U.S. based Unmanned Aircraft System (UAS) engineering and manufacturing firm and originally spun out of the University of Florida as an officially licensed tech transfer startup company in 2011. The company designs and manufactures high quality drones to carry the best sensors into the toughest environments. The focus of the company is on systems that collect data with the highest integrity and accuracy.

Recently, Altavian, Inc. announced the award of a \$250MM Indefinite Delivery, Indefinite Quantity contract with the US Army. Under the Program Executive Office Aviation, Products Office for Tactical Unmanned Aircraft (TUAS), Altavian will be supporting the largest small UAS program in the world.

The terms of the submitted Altavian, Inc. LOI are briefly as follows:

- 1) Three year lease term for approximately 10,000 square feet of 1st Floor Space in Catalyst Building.
- 2) Rent is \$14 per square foot with an additional \$2 per square foot for proportionate share of Common Area Maintenance (CAM).
- 3) Altavian will utilize the space for manufacturing of drones and office.
- 4) Issues such as signage, utilities and parking will be shared and managed with another tenant.
- 5) A lease will commence upon delivery of the premises estimated to be June 1, 2018

The intent of the UF LOI is to establish UF's College of Design, Construction and Planning's (DCP's) FIBER (Florida Institute for the Built Environment Resilience) as well as the collaborative platform by the City and UF on Smart Cities applied research.

FIBER will occupy 7,500 square feet of the 2nd floor space with the associated City services occupying the remainder and then approximately 1,500 square feet of 1st floor space will be dedicated to showcase and studio applications of the City of Gainesville's Smart City platform.

The terms of the submitted UF LOI are briefly as follows:

- Three year lease term for approximately 7,500 square feet of 2nd Floor Space and 1,500 square feet of 1st floor space in Catalyst Building and

- Rent is \$14 per square foot with proportionate share of Common Area Maintenance (CAM)
- UF will utilize the space for establishment of FIBER and Smart City platform
- Issues such as signage, utilities and parking will be shared and managed with another tenant
- A lease will commence upon delivery of the premises estimated to be August 1st

Currently, staff is still working through issues associated with the unwinding of the Prioria Robotics, Inc. tenancy and there are several logistical issues that need to be dealt with in order to effectuate commencement of the Altavian and UF lease in a timely manner and staff will be working on those diligently in the coming weeks.

At the proposed lease rate of \$14 per square foot and \$2 per square foot for a proportionate share of CAM the Altavian lease of the three year term should generate approximately \$450,000 in rent in addition to applicable utility payments which would be separate through Gainesville Regional Utilities (GRU).

At the proposed lease rate of \$14 per square foot and proportionate share of CAM the lease of the three year term should generate approximately \$350,000 in rent in addition to applicable utility payments which would be separate through Gainesville Regional Utilities (GRU).

In addition, according to contract terms, Front Street will be compensated at a rate of five percent of gross rent based upon services rendered in the marketing of the Catalyst Building space.

The City Commission: 1) hear a brief presentation from staff; 2) direct staff to prepare the appropriate lease documents incorporating the business terms from the proposed Altavian Inc., and UF Letters of Intent (LOI); and, (3) authorize the City Manager to execute all pertinent lease documents, subject to approval of the City Attorney as to form and legality.