



CASE STUDY TITLE:

Creating an Innovation Economy Platform in a University Community

JURISDICTION:

Gainesville, Florida

CITY MANAGER:

Russ Blackburn, City Manager

PROJECT LEADER:

Erik Bredfeldt

Email: bredfeldea@cityofgainesville.org

Phone: 352-393-8690

Address: PO Box 490, Station 33
Gainesville, FL 32627-0490

PRESENTATION TEAM MEMBERS:

Erik Bredfeldt, Planning & Development Services Director, City of Gainesville

Kelly Fisher, Community Redevelopment Agency Manager, Gainesville Community Redevelopment Agency

Linda Dixon, Associate Director of Planning, University of Florida

200 Word Case Study Description:

Since 2001, the City of Gainesville has worked to accentuate its local economic competitive advantage which is the growth and development of innovative economy industry. This is due to: 1) the community's profile that emphasizes the role of intellectual and social capital in community economic development with the University of Florida and Santa Fe College serving as primary anchors and 2) justification of these types of policy efforts in the current community economic development literature.

As a consequence, the City of Gainesville has positioned itself to capture the benefits of

the New Innovative Economy through a number of local government policy actions which have recently led to its participation as an important partner in the Innovation Square project.

Innovation Square incorporates approximately 40 acres located between the University of Florida's main campus and downtown. It is intended to be a sustainable new live and work community in which innovation in science and technology is a focus, along with the commercial opportunities that follow it. Once complete, Innovation Square is expected to comprise several million square feet of flexible office and meeting space, incubator space and supporting retail, restaurant and residential uses.

“Creating an Innovation Economy Platform in a University Community” is a case study of local government professionals partnering with various community entities, inclusive of private industry, to facilitate the New Innovative Economy.

Over the past ten years, the City of Gainesville has worked to accentuate its local economic competitive advantage, through the cultivation of an innovative economy industry. This is due primarily to the community’s profile that emphasizes the role of intellectual and social capital in community economic development with the University of Florida and Santa Fe College serving as primary anchors. This approach is consistent with recent economic development literature documenting those factors that will be increasingly important in securing economic opportunity for a community’s residents in future years.

Since the beginning of the new millennium, the City of Gainesville has positioned itself to capture the benefits of the New Innovative Economy through a number of local government policy actions including:

- the funding of a technology incubator and a shared role in its management
- the creation of a standing City Commission committee that focused on partnership building to facilitate the New Innovative Economy
- the utilization of traditional planning tools to foster the New Innovative Economy inclusive of Comprehensive Plan language and spatial targeting, creation of appropriate underlying land use and zoning designations, and a proactive posture in terms of participating in the preparation of an appropriate site design regulatory regimen
- the provision of appropriate financial incentives particularly as it relates to New Innovative Economy development within the existing urban fabric
- the partnerships with the University of Florida and Santa Fe College in growing the New Innovative Economy through development of various physical facilities throughout the region
- staff participation in making the development of the New Innovative Economy a proposition that is growing and developing organically through limited and targeted government action

All of these efforts have recently come together and created a very dramatic opportunity for the community that revolves around the Innovation Square project.

Innovation Square incorporates approximately 40 acres, with approximately 12 acres at its core, located between the University of Florida’s main campus and downtown. It is a sustainable new live/work community focusing on scientific innovation and technology, along with the commercial opportunities that follow. Once complete, Innovation Square is envisioned to be

several million square feet of flexible office and meeting space, incubator space and supporting retail, restaurant and residential uses.

This project has involved partnerships between the University of Florida, Shands Healthcare, the City of Gainesville, the Community Redevelopment Agency, the various workforce and economic development entities and private industry. Innovation Square has helped spur a new approach to community economic development planning and focused on using traditional local government policy tools in order to reorient the community's long-term economic prospects through collaboration with various community entities, as well as private industry. It has led to revisions to the city's regulations regarding appropriate zoning for the affected property and a proactive approach to development of the project over time. Service delivery has been enhanced as this process has made the regulatory environment more conducive to the achievement of the New Innovative Economy outcomes.

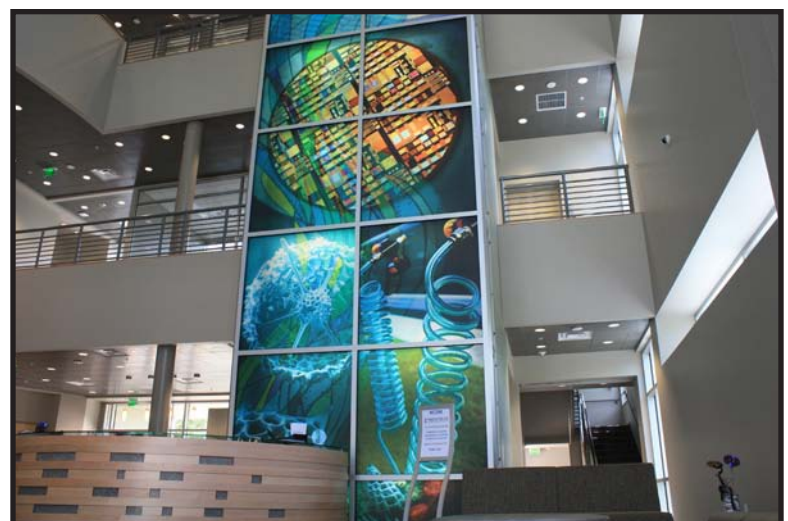
Innovation Square has come into place over a short period of time (approximately a year) through the hard work and determination of many partners and is already starting to alter the community's economic development landscape within the City of Gainesville and will impact the north central Florida region for years to come. It is already helping to create jobs in our community, and its presence gives the entrepreneurial creativity and technology development that already exists in Gainesville



Architectural rendering



Completed building



Inside building

a place to call home. Most recently, MindTree, a software company from India, decided upon Gainesville's Innovation Square to be the first piece of its U.S. expansion. MindTree anticipates bringing at least 400 high-paying jobs to Gainesville over the next five years. This focus on technology and creativity will also attract like-minded people and companies that are looking for a place to settle to Gainesville. As such, Gainesville recently ranked no. 1 in Florida on Forbes' list of Best Places for Business and Careers and no. 17 on The Atlantic Cities' list of America's Leading Creative Class Metros, demonstrating that the desired and anticipated results are already starting to take shape.

This real world example balances the application of various urban planning tools related to the Comprehensive Plan, Land Development Code, Campus Master Planning and Design Review within the context of achieving a community's economic development and redevelopment goals. Perhaps most importantly, this project focuses on the role of partnerships in achieving a community's urban planning and community economic development goals. The community has moved forward in providing the platform for future community economic development, and this effort will ultimately benefit the community as a whole.

This type of economic development project communicates lessons learned in using urban planning tools to achieve a community-wide economic development vision through engagement with entities that are not always seen as typical urban planning partners. Furthermore, this project focuses on features of the New Innovative Economy that represent the new platform for community economic development nationwide. Lessons learned in the greater Gainesville area can be proactively applied in other communities throughout the state of Florida and nation, even in those instances where a community does not have a strong university presence. During uncertain economic times, the role of local government, in partnership with other community professionals, is to set the table for future expansion of the New Innovative Economy.

Local government has many tools at its disposal, particularly relative to setting the regulatory platform and providing for the citizen participation process, that can be of service in getting the state of Florida and nation to the next level in terms of community economic development. The project lends itself to sharing lessons learned that can be translated into action within other communities throughout the nation.

Creating an Innovation Economy Platform in a University Community Economic Development Project in Gainesville, Florida

Innovation/Creativity: The Innovation Square project helped Gainesville take a new, more proactive, approach to community-wide economic development planning. It focused on using traditional local government policy tools in order to reorient the community's long-term economic prospects through community collaboration. Although consultants were used in some aspects of this project, no one was directly employed to make this successful over the longer term.

Applicable Results and Real World Practicality: This presentation tells the tale of partnership and collaboration to achieve the community's economic development objectives while the country was in the midst of an economic struggle. The lessons revolve around the long-term nature of this collaboration and the need for local government to become proactive concerning policies to help community wide economic development objectives become a reality. Although this presentation would be particularly applicable to university communities, it is relative to all communities by emphasizing a regional approach to help meet economic development objectives.

Outcomes Achieved: The Gainesville community moved forward in providing the platform for future economic development. Service delivery has been enhanced as this process has made the regulatory environment more conducive to the achievement of New Innovative Economy platforms. Individuals in the community who participate in this segment of the economy now feel more comfortable with the city's posture on these efforts, and access to local government has been enhanced. Additionally, communication amongst formerly disparate parties has increased the level of understanding amongst community members.

Leadership: The Gainesville City Commission, through the development of the Economic Development University Community Committee (EDUCC) in 2004, has steadily supported this collaborative effort and provided a forum for project discussion. The additional support of the University of Florida two years ago greatly assisted in bringing the project to fruition and added the momentum needed to propel the project forward. Since the Innovation Square project was a joint venture, with a number of key players, leadership for the project was determined by the expertise available within the participating agencies. The University of Florida took the lead concerning property management and recruitment; the Gainesville CRA served as a developing agent and assisted with funding initiatives as well as with design concepts; while Gainesville Regional Utilities (a publicly owned municipal utility) facilitated meetings concerning infrastructure needs.

Components of Innovation Square so far

Staff report

Published: Tuesday, March 27, 2012 at 4:46 p.m.

- The new Florida Innovation Hub at UF opened in fall 2011.

The 48,000-square-foot building houses UF's Office of Technology Licensing and serves as a business incubator for technology start-ups, more than a dozen of which have already moved in. Built on the former Shands at AGH site, the hub is the centerpiece of the 40-acre Innovation Square development meant to better connect campus and downtown.



This artist's rendering shows what the Infusion Technology Center will look like when it is completed in Innovation Square. (Courtesy of Trimark Properties)

- MindTree, an international software development company, announced Tuesday plans to move into the Ayers building, which is already considered part of Innovation Square. After a \$2.9 million renovation, plans are for Mindtree to add 100 employees a year starting in 2012, eventually creating at least 400 jobs.

- Innovation Hub, a 45,000-square-foot business incubator located at Southwest Second Avenue and Southwest Seventh Terrace. The \$13.2 million project has expected to start construction later this year.

- Infusion Technology Center, a building that will share an atrium with the Innovation Hub, will feature ground floor space for retail, restaurants and cafes. It also will include laboratories, research and high-tech space, including a high-speed fiber-optic ethernet network. The facility is being built by Gainesville development company Trimark Properties and is expected to be complete by late 2012.

Trimark Properties also plans to build the UF INSPIREation Hall in Innovation Square. Trimark says it will be a dormitory for entrepreneur-minded students attending UF and will be open to students of all majors and ages and, in addition to housing, will have a 150-person space to be used for classes, dinners and events. Construction is planned to start in early 2013.

- The Continuum, a graduate student housing development constructed at the former First Baptist Church site on West University Avenue. The facility features more than 400 apartment units for University of Florida graduate students and retail space on the bottom floor of a new building and in the church's former sanctuary.

MindTree to locate center in Gainesville, create 400 jobs

By *Anthony Clark*

Business editor

Published: Tuesday, March 27, 2012 at 10:21 a.m.

India-based software company MindTree Limited has chosen Gainesville for its U.S. development center with plans to create at least 400 jobs with an average salary of \$80,000.

The company will move into the Ayers building at 720 SW Second Ave., now considered part of Innovation Square surrounding the University of Florida's Innovation Hub business incubator, following a \$2.9 million renovation.

MindTree expects to employ 35 people in Gainesville over the next six months from a combination of existing employees and local hires, with plans to add 100 jobs a year thereafter, Scott Staples, co-founder and president, Americas, told The Sun.

He said in a presentation that they hope to go beyond initial plans for 400 jobs, to create 500 or 600.

MindTree develops software for Fortune 2000 companies and independent software vendors worldwide. It has 11,000 employees.

The official announcement came Tuesday morning at a ceremony with local business, government and education officials at the Hilton University of Florida Conference Center.

Staples credited a coordinated effort among those factions with selling the company on Gainesville. He presented Brent Christensen, president and CEO of the Gainesville Area Chamber of Commerce and the Council for Economic Outreach, with a conductor's baton for a "well-orchestrated team effort."

He also credited the quick response of Gerhard Ritter, acting chairman of the UF Department of Computer and Information Science & Engineering, after first making contact by email to ask about the potential labor pool out of the university.

In a subsequent email projected on a screen Friday, Staples wrote, "This is the best response I have received from any major university. Thanks for the detail and the passion behind it."

Staples said MindTree was seeking IT talent, a strong university tie, proximity to potential Fortune 2000 clients, a place relocated employees would want to live, and local and state support.

"We found a place that is obsessed with innovation and action," he said.

The company was approved for up to \$1.2 million in tax refunds depending on the number of jobs created, with 80 percent coming from the state. Gainesville and Alachua County commissions each approved \$120,000 credits for the remainder.

Florida Lt. Gov. Jennifer Carroll said the company will help prevent the brain drain of UF graduates leaving the state.

"You are helping Florida move in the right direction to help the governor and I create those 700,000 jobs that we campaigned on," she said.



Doug Finger/The Gainesville Sun

Scott Staples, co-founder and president of MindTree, speaks about coming to Gainesville during a special announcement to the Council for Economic Outreach at the Hilton University of Florida Hotel and Conference Center on Tuesday.

UF President Bernie Machen said, "MindTree is exactly the kind of global, creative, aggressive company that we've been dreaming about. ... With Innovation Square, we began a brand new era. MindTree's decision to come to Gainesville affirms our direction."

MindTree is publicly traded on the India stock exchange with revenues of \$100 million per quarter and 20 percent annual growth, Staples said.

The company has six U.S. offices and headquarters in Warren, N.J., and Bangalore, India.

Staples said they are known for a corporate culture that emphasizes integrity and calls employees MindTree minds.

Among several honors, the company was awarded the Best Corporate Governance, India, 2012, by World Finance magazine.

Staples first contacted Ritter on Nov. 29, 2011, and visited Gainesville on Dec. 20. He said he received a call from Gov. Rick Scott shortly thereafter and had dinner with him about a month later.

"And some guy named Tim Tebow sent me an autographed copy of his book saying Gainesville turned out pretty good for him and he promised it would be pretty good for my team," he said.

He said he would return the favor now that Tebow is with the New York Jets, which plays in New Jersey.

Staples returned with other MindTree executives on Feb. 13 to tour two potential locations, and get a taste of the workforce and quality of life over four hours. Gainesville was competing with sites in South Carolina and Alabama.

"You guys delivered. We were impressed with Gainesville," he said.

Realtor Mitch Glaeser, chairman of the Council for Economic Outreach, said, "We had four power-packed hours to make our case."

As part of the incentive package, FloridaWorks received permission from the U.S. Department of Labor to alter a \$5 million training grant to include technology companies, making MindTree eligible to apply. The grant funds part of the salary during on-the-job training for hiring the unemployed.

Chamber Chairman Michael Gallagher of SantaFe Healthcare said CEO and Innovation Gainesville partners can celebrate the fruits of their labors after raising \$3.4 million from local investors for economic development. Other recent Chamber and CEO efforts include helping lure Silver Airways and with Piora Robotics' downtown expansion plans.



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GRU, UF bring ultrahigh-speed broadband to Innovation Square

By [Anthony Clark](#)

Business editor

Published: Monday, June 11, 2012 at 3:56 p.m.



Businesses and residents in and around Innovation Square will have access to ultrahigh-speed broadband connections through an initiative between Gainesville Regional Utilities and the University of Florida.

GRUCom, GRU's telecommunications division, is launching the fiber-optic gigabit connectivity in Innovation Square on a limited basis later this month and will expand it to the rest of what officials are calling the Innovation District between UF's main campus and downtown as the area develops, according to a Monday news release.

The Innovation District is between West University Avenue, Southwest Eighth Avenue, Southwest 13th Street and Southwest Sixth Street.

The effort is part of the University Community Next Generation Innovation Project — or Gig.U — a coalition of more than 30 research universities working with broadband providers to provide gigabit networks on campuses and surrounding areas to support high-tech businesses and research in areas such as health care and education.

“Entrepreneurs and technology leaders work in a competitive world where big ideas and enormous amounts of information need to move quickly,” UF President Bernie Machen said in the release. “This is just what’s needed to attract those types of people to the Innovation District. Having a high-bandwidth community near our campus creates an environment that will better serve the mission of educating our students and creating a hub of high-tech economic growth for Florida.”

Elias Eldayrie, UF vice president and chief information officer, said the goal is to bring gigabit connectivity to all of Gainesville, saying that someday that speed will be standard.

The service would be extended through a competitive bidding process open to any providers.

A gigabit is 1,000 megabits per second, fast enough to download a high-definition movie in less than a minute. It is up to 100 times faster than standard DSL or cable services, according to the release.

“The areas that hopefully this connectivity will help support include video streaming, data backups, applications that will be developed that otherwise couldn’t without this kind of connectivity to support research, telemedicine and other things,” Eldayrie said.

Innovation Square is being developed by UF and private developers as a place for high-tech companies, entrepreneurs, researchers and students to live and work. It currently includes UF's Innovation Hub, a business incubator for high-tech companies, and the Ayers Building, which will house software company MindTree.

Customers will have gigabit connections to other customers within the district. UF students and employees in the district will also have remote access to campus networks.

The introductory price is \$99 a month for residential service that includes 50-megabits-per-second Internet service, according to GRUCom. Business rates are determined on an individual basis.

Editorial: It takes money

Published: Tuesday, April 10, 2012 at 6:01 a.m.

It is no stretch to argue that a vital weapon in Gainesville's revitalization arsenal is its Community Redevelopment Agency.

To the extent that the city has experienced dramatic quality of life improvements and renewed economic activity in its urban core, the CRA — with its ability to use incremental property tax funding to finance street and infrastructure upgrades, new and revitalized housing, streetscaping and building facade improvements and so on — deserves much of the credit.



File photo
Downtown Gainesville at night

Gainesville has four CRA districts — Downtown, University Heights/College Park, Fifth Avenue/Pleasant Street and Eastside. And CRA tax increment investments have been slowly improving neighborhoods and stimulating business activity in all of those urban sectors. Gainesville's aggressive use of CRA funding helped lay the crucial groundwork for UF's Innovation Square initiative.

City commissioners are considering one or two new CRA districts, in the Stephen Foster neighborhood and on a stretch of NW 13th Street. The existence of the Cabot-Koppers Superfund site and the closure of several large businesses along NW 13th have left the future of those areas very much hanging in the balance.

There is little doubt that targeted CRA investment could help revitalize those areas. But whether or not they meet the criteria for qualification remains to be determined by a detailed study.

Commissioner Todd Chase is right to worry about the prospect of CRA districts expanding to the point that diverted tax increment dollars will eventually become a drain on the general fund. At some point, the expansion of CRAs may indeed reach a point of diminishing returns.

However, we would argue that strategically targeted CRA investments serve to increase both property values and economic activity in once-downtrodden neighborhoods and business districts. And to the extent they do, those investments ultimately generate additional tax dollars and contribute to the health of the city's general fund. Downtown Gainesville's remarkable revitalization of the past several years is testament to the power of public investment.

There is an old adage in business that it takes money to make money. That's also the essence of Gainesville's strategy of reinvesting CRA tax dollars to stimulate urban revitalization.



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Editorial: We do innovation

Published: Tuesday, April 3, 2012 at 6:01 a.m.

Gainesville is open for innovation. That's what we do here.

If that message hadn't been clear before — what with the launching of UF's Innovation Square and the Innovation Gainesville initiative — it became crystal clear last week.

That's when MindTree, a multi-national software company, announced that it had selected Gainesville in which to locate its first U.S. regional development center. Eventually it intends to create 400 jobs here.

From our perspective, Gainesville was a natural fit. But of course, MindTree had to be convinced of that. And the convincing was done in a fairly short time-frame thanks to a seamless recruitment effort that ultimately involved UF, the Chamber of Commerce, the city, county, Santa Fe College, business and arts community leaders and many more partners in innovation.

At the announcement, Scott Staples, president of The Americas for MindTree, remarked on the "passion and energy" this community put into the recruitment effort. He said "you guys came off with a message to us that was well-orchestrated, and everybody seemed to be on the same page."

There were tax and financial incentives on the table, of course. But every state and city in contention offers those.

No, what ultimately "sold" Gainesville was its embrace of the innovation ethic. Here, creativity is a way of life. It is well and truly understood here that innovation occurs when creative people of all disciplines and backgrounds are able to live, work, collaborate and play in close proximity to one another.

The proximity of a major research university, a downtown entertainment and cultural scene, job-training and support organizations, a healthy and scenic natural environment and other community assets made Gainesville a natural choice for MindTree. Other innovators will surely follow.

"A lot of things came together at the right time," Ed Poppell, UF's Innovation Square manager, told The Sun. "The energy and excitement is there to do it again and again and again."

Gainesville is open for innovation. That's what we do here.

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His first impression of Gainesville came that Nov. 29.

Gerhard Ritter, acting chairman of the computer science department at the UF College of Engineering, responded to Staples' email within three hours, writing about UF's status as the No. 1 producer of computer science graduates in Florida and No. 2 in the Southeast; the growing numbers of undergraduates, master's candidates and students minoring in computer science; and the several honors that student teams earned at an international programming contest, including the No. 1 team in North America.

He also wrote that many students would prefer to stay in Gainesville if not for a lack of companies of MindTree's caliber.

Staples replied within a half-hour that it was the best response he had received from any major university and that he wanted to learn more about how the community and university could help.

"What really caught our attention was the tone and energy of the response," Staples said Thursday. "It wasn't just about 'here are the facts.' It was the pride and the energy and the enthusiasm that came behind the response."

Erik Sander is director of the UF Engineering Innovation Institute. He said companies contact the College of Engineering every day to look at the student pipeline or to collaborate on research.

The college was part of a group started earlier in the year that included people from the Chamber, Innovation Square and the city to talk about opportunities for the Square — 40 acres surrounding UF's Innovation Hub that is being redeveloped.

"This is a repeatable process, so we can respond very quickly in a very coordinated manner to opportunities like this — some proactive, some that come to us that we have an opportunity to react to," Sander said.

Sander contacted officials at the Council for Economic Outreach, also known as CEO, to join him on a conference call with MindTree on Dec. 5.

"We go on hundreds of these calls," said David Ramsey, director of economic development for CEO. "You don't usually get one that will offer 400, 450 jobs at a time, so we were nodding our heads and smiling and sending our information."

MindTree needed to make a decision by March 31, the end of its fiscal year, and Staples asked for a meeting.

That came Tuesday, Dec. 20. Staples spent a full day at the Innovation Hub hearing presentations from the Chamber, CEO, UF, Santa Fe College, FloridaWorks and people from the industry who gave a community overview and talked about potential employees, training programs and the culture of support for startup companies.

Kim Tesch-Vaught, vice president of workforce for the Chamber and FloridaWorks, said the process and MindTree's move will increase collaboration between FloridaWorks, UF, SF College and the Alachua County School Board.

"This is not just a one-time, 50 jobs. This is ongoing," she said. "It is going to change the career path opportunities for the community."

Staples had reached out to the state Department of Economic Opportunity before his first email to UF to seek incentives but also to gauge the state's support for business.

Shortly after his first visit to Gainesville, he received a call from Gov. Rick Scott. They would talk over dinner in Tallahassee on Jan. 25, one businessman to another.

Staples gathered co-founder Kamran Ozair and human resources director Mohan Sitharam for site visits — giving each community four hours to make its case about how easy it would be to attract employees and keep them happy.

At 1 p.m. on Feb. 13, they met Chamber and CEO officials in the Target parking lot, were greeted by Mayor Craig Lowe, jumped in a large SUV and took a tour through Haile Village, past The Oaks Mall, through the Duck Pond neighborhood and downtown, and to the Innovation Hub and the Ayers Building that will be their eventual home. They stopped at UF for 45 minutes to talk about recruiting employees with the College of Engineering and UF's Career Resource Center.

The tour ended at UF's Harn Museum of Art, where various experts in their field talked about Gainesville's quality of life, including its culture, school system and health care.

Staples said he spent the most time during the Harn part of the tour talking with executives from local technology companies — some new, some old and some recently relocated to Gainesville. They talked about their experiences with employee recruitment, when to go to UF or SF College, and what interests employees in order to keep them happy.

Staples also talked with Ed Poppell, formerly with UF and now manager of the corporation formed by UF to develop Innovation Square.

Poppell said the Square's location and available space were key to closing the deal. The property that includes the former Shands AGH site and surrounding property is within walking distance of campus and downtown's housing and nightlife, and the Square has its own plans for housing, jobs and retail — the kind of place that appeals to tomorrow's knowledge workers, Poppell said.

Poppell said MindTree wants 10,000 square feet as quickly as possible, with design and demolition permits in the works for the south portion of the Ayers building, which is located across Southwest Second Avenue from Innovation Hub. Utilizing space in the Ayers building, the company plans to grow into 45,000 square feet over the next four or five years depending on its growth.

"That number is very fluid," Poppell said. "That's the only way you can negotiate a deal like this."

Ramsey said a large space near the university had been the missing piece of the real estate offerings when recruiting companies. That hurt when a similar project for a U.S. development center came knocking in 2006.

"We lost it because we didn't have the real estate," he said. "Now we had either an option at Ayers or maybe even a built-to-suit at Innovation Square."

Sometime after its second visit, MindTree narrowed its search to three finalists — Birmingham, Ala., Greenville, S.C., and Gainesville.

CEO started putting incentives together, getting state and local approval for as much as \$1.2 million in tax refunds depending on the number of jobs created — with the city and county each covering 10 percent of that \$1.2 million. FloridaWorks got federal permission to add technology companies to its grant to reimburse companies for on-the-job training, making MindTree eligible to apply, on top of Quick Response Training funding from the state.

"Other states were offering \$7,000 to \$9,000 per employee in training incentives, so we needed a little more Quick Response Training," Ramsey said.

Staples said incentives were a component of Mindtree's decision, but not a critical one.

"What we found was that Florida actually seemed to understand and be more inclined to services industries, where Alabama and South Carolina incentive packages are really built around manufacturing," he said.

In the end, a well-coordinated message and everything Gainesville and Florida had to offer won the day. The site selection team persuaded senior management and the board to approve Gainesville. The final decision was pending approval of incentives, ending with the Gainesville City Commission on March 15.

Tuesday came Gainesville's largest economic development announcement since Wal-Mart opened a warehouse in Alachua with 650 jobs in 2007, but this time with larger average wages of \$80,000.

Ramsey said CEO has a template for recruiting companies, with 10 to 12 site visits a year. From working with Innovation Square and the College of Engineering, many of the players have been assembled before.

"I think it's a direct offshoot of Innovation Gainesville, having everybody in the room," Ramsey said of the Chamber's economic development initiative. "We've done that before, but I think all the effort around Innovation Gainesville and Innovation Square in saying, 'This is where you can be, you see the students walking by right now. They can be your MindTree minds.' That was powerful."

"A lot of things came together at the right time," Poppell said. "The energy, the excitement is there to go do it again and again and again."

"Our secret's out now on Gainesville and what we offer," Poppell continued. "I think this is going to be one of more that come forward and say 'let's see what you've got.' "



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How local leaders brought MindTree to Gainesville

By *Anthony Clark*

Business editor

Published: Saturday, March 31, 2012 at 6:08 p.m.

This past Nov. 29 at 2:14 p.m., an executive from MindTree Limited made first contact in Gainesville by emailing the computer science chairman at the University of Florida College of Engineering.

That started a months-long process, codenamed Project Arbor, that culminated in Tuesday's announcement that the India-based software development firm had selected Gainesville for its first U.S. development center, bringing at least 400 jobs over the next five years with an average salary of \$80,000.

In between came a courtship described as a "full-scale, all-hands-on-deck recruiting effort" by the Gainesville Area Chamber of Commerce and Council for Economic Outreach with help from dozens of people in business, government, education, recreation and the arts touting Gainesville as a good place to live, do business and find employees.

Now, economic development officials and their partners can add a high-tech feather to their cap — one which they say will help spread the word that Gainesville is a place for innovative companies to start in or move to.

Scott Staples, co-founder and president of the Americas for MindTree, credited the recruitment effort — in particular a tour and presentations over four hours on Feb. 13 — with helping persuade him and two colleagues that Gainesville was the right place for the first piece of the company's major U.S. expansion plans.

"One, there was so much passion and energy around the presentation," Staples said by phone Thursday. "The other thing, you guys came off with a message to us that was well-orchestrated, and everybody seemed to be on the same page. We told you what we needed and what would motivate our people, and you guys listened better than any other states and came out with a compelling message."

MindTree, headquartered in Bangalore, India, and Warren, N.J., develops software for Fortune 2,000 companies and independent software vendors worldwide, with annual revenue approaching \$500 million. Among its 11,000 employees, 800 are stationed in the U.S., most working onsite with clients or out of six small offices in major metropolitan areas.

With plans to open larger regional development centers throughout the U.S., the company started looking late last year for its first location in the 48 contiguous states.

Staples said the company boiled it down to the Southeast because executives were looking for a place with lower costs of doing business and where current employees would want to live.

"We felt it was a very attractive location, and based on the number of emails I'm getting since we announced, I think I picked the right spot, because a lot of people have volunteered to move down there," Staples said.

The location also gives the company proximity to potential clients with whom it is not currently doing business. Florida alone has more than 160 companies with more than \$250 million in revenues, Staples said.

With a general region in mind, Staples reached out to each Southeastern state's economic development agency and most major universities' computer science programs.



Doug Finger/ Staff Photographer
Scott Staples, co-founder and president, Americas of Mindtree, speaks with Florida Lt. Governor Jennifer Carroll, from left, and University of Florida President Bernie Machen, following a special event to officially announce Mindtree's move to Gainesville at the Hilton UF Hotel and Conference Center Tuesday.

His first impression of Gainesville came that Nov. 29.

Gerhard Ritter, acting chairman of the computer science department at the UF College of Engineering, responded to Staples' email within three hours, writing about UF's status as the No. 1 producer of computer science graduates in Florida and No. 2 in the Southeast; the growing numbers of undergraduates, master's candidates and students minoring in computer science; and the several honors that student teams earned at an international programming contest, including the No. 1 team in North America.

He also wrote that many students would prefer to stay in Gainesville if not for a lack of companies of MindTree's caliber.

Staples replied within a half-hour that it was the best response he had received from any major university and that he wanted to learn more about how the community and university could help.

"What really caught our attention was the tone and energy of the response," Staples said Thursday. "It wasn't just about 'here are the facts.' It was the pride and the energy and the enthusiasm that came behind the response."

Erik Sander is director of the UF Engineering Innovation Institute. He said companies contact the College of Engineering every day to look at the student pipeline or to collaborate on research.

The college was part of a group started earlier in the year that included people from the Chamber, Innovation Square and the city to talk about opportunities for the Square — 40 acres surrounding UF's Innovation Hub that is being redeveloped.

"This is a repeatable process, so we can respond very quickly in a very coordinated manner to opportunities like this — some proactive, some that come to us that we have an opportunity to react to," Sander said.

Sander contacted officials at the Council for Economic Outreach, also known as CEO, to join him on a conference call with MindTree on Dec. 5.

"We go on hundreds of these calls," said David Ramsey, director of economic development for CEO. "You don't usually get one that will offer 400, 450 jobs at a time, so we were nodding our heads and smiling and sending our information."

MindTree needed to make a decision by March 31, the end of its fiscal year, and Staples asked for a meeting.

That came Tuesday, Dec. 20. Staples spent a full day at the Innovation Hub hearing presentations from the Chamber, CEO, UF, Santa Fe College, FloridaWorks and people from the industry who gave a community overview and talked about potential employees, training programs and the culture of support for startup companies.

Kim Tesch-Vaught, vice president of workforce for the Chamber and FloridaWorks, said the process and MindTree's move will increase collaboration between FloridaWorks, UF, SF College and the Alachua County School Board.

"This is not just a one-time, 50 jobs. This is ongoing," she said. "It is going to change the career path opportunities for the community."

Staples had reached out to the state Department of Economic Opportunity before his first email to UF to seek incentives but also to gauge the state's support for business.

Shortly after his first visit to Gainesville, he received a call from Gov. Rick Scott. They would talk over dinner in Tallahassee on Jan. 25, one businessman to another.

Staples gathered co-founder Kamran Ozair and human resources director Mohan Sitharam for site visits — giving each community four hours to make its case about how easy it would be to attract employees and keep them happy.

At 1 p.m. on Feb. 13, they met Chamber and CEO officials in the Target parking lot, were greeted by Mayor Craig Lowe, jumped in a large SUV and took a tour through Haile Village, past The Oaks Mall, through the Duck Pond neighborhood and downtown, and to the Innovation Hub and the Ayers Building that will be their eventual home. They stopped at UF for 45 minutes to talk about recruiting employees with the College of Engineering and UF's Career Resource Center.

The tour ended at UF's Harn Museum of Art, where various experts in their field talked about Gainesville's quality of life, including its culture, school system and health care.

Staples said he spent the most time during the Harn part of the tour talking with executives from local technology companies — some new, some old and some recently relocated to Gainesville. They talked about their experiences with employee recruitment, when to go to UF or SF College, and what interests employees in order to keep them happy.

Staples also talked with Ed Poppell, formerly with UF and now manager of the corporation formed by UF to develop Innovation Square.

Poppell said the Square's location and available space were key to closing the deal. The property that includes the former Shands AGH site and surrounding property is within walking distance of campus and downtown's housing and nightlife, and the Square has its own plans for housing, jobs and retail — the kind of place that appeals to tomorrow's knowledge workers, Poppell said.

Poppell said MindTree wants 10,000 square feet as quickly as possible, with design and demolition permits in the works for the south portion of the Ayers building, which is located across Southwest Second Avenue from Innovation Hub. Utilizing space in the Ayers building, the company plans to grow into 45,000 square feet over the next four or five years depending on its growth.

"That number is very fluid," Poppell said. "That's the only way you can negotiate a deal like this."

Ramsey said a large space near the university had been the missing piece of the real estate offerings when recruiting companies. That hurt when a similar project for a U.S. development center came knocking in 2006.

"We lost it because we didn't have the real estate," he said. "Now we had either an option at Ayers or maybe even a built-to-suit at Innovation Square."

Sometime after its second visit, MindTree narrowed its search to three finalists — Birmingham, Ala., Greenville, S.C., and Gainesville.

CEO started putting incentives together, getting state and local approval for as much as \$1.2 million in tax refunds depending on the number of jobs created — with the city and county each covering 10 percent of that \$1.2 million. FloridaWorks got federal permission to add technology companies to its grant to reimburse companies for on-the-job training, making MindTree eligible to apply, on top of Quick Response Training funding from the state.

"Other states were offering \$7,000 to \$9,000 per employee in training incentives, so we needed a little more Quick Response Training," Ramsey said.

Staples said incentives were a component of Mindtree's decision, but not a critical one.

"What we found was that Florida actually seemed to understand and be more inclined to services industries, where Alabama and South Carolina incentive packages are really built around manufacturing," he said.

In the end, a well-coordinated message and everything Gainesville and Florida had to offer won the day. The site selection team persuaded senior management and the board to approve Gainesville. The final decision was pending approval of incentives, ending with the Gainesville City Commission on March 15.

Tuesday came Gainesville's largest economic development announcement since Wal-Mart opened a warehouse in Alachua with 650 jobs in 2007, but this time with larger average wages of \$80,000.

Ramsey said CEO has a template for recruiting companies, with 10 to 12 site visits a year. From working with Innovation Square and the College of Engineering, many of the players have been assembled before.

"I think it's a direct offshoot of Innovation Gainesville, having everybody in the room," Ramsey said of the Chamber's economic development initiative. "We've done that before, but I think all the effort around Innovation Gainesville and Innovation Square in saying, 'This is where you can be, you see the students walking by right now. They can be your MindTree minds.' That was powerful."

"A lot of things came together at the right time," Poppell said. "The energy, the excitement is there to go do it again and again and again."

"Our secret's out now on Gainesville and what we offer," Poppell continued. "I think this is going to be one of more that come forward and say 'let's see what you've got.'"

Supportive Material:
Innovation Square brochure

Innovation Square is a sustainable new **community** that is richly **interactive** in all aspects of living and working; a place where **innovation in science and technology** is fostered and embedded in all aspects of life in the town.



- ▣ **40 Acres**
next to downtown Gainesville
- ▣ **3,000 new innovation jobs**
- ▣ **Incubator space** w/ support
- ▣ "Class A", flexible **office space**
- ▣ Conference / meeting spaces
- ▣ **Retail, restaurants, residences**
- ▣ 5-10 minute walk to **UF campus**
- ▣ A **safe, pedestrian-friendly** mixed-use neighborhood



a sustainable new community

INNOVATION SQUARE

a 24/7 live/work/play urban research park environment

integrated into urban setting with new street-level retail on commercial corridors and height transition to historic district

district-wide sustainability initiatives include shared parking and district heating / cooling

new, sustainable development of up-to eight stories offers flexible office and research lab space, housing

walkable, vibrant urban blocks with landscaped, pedestrian open spaces and new street connections



illustrative vision plan

- ▣ Serves as a catalyst to create innovative jobs in a dynamic and sustainable live/work/learn/play environment
- ▣ Delivers a diversity of facilities for emerging and established companies
- ▣ Promotes collaboration between the University of Florida and the private sector
- ▣ Retail spaces serve as a magnet for students, faculty, alumni, and the community
- ▣ New relationships between research and private industry will increase growth, diversity, and discoveries within UF and Gainesville, creating a platform for global expansion and sustainable job growth

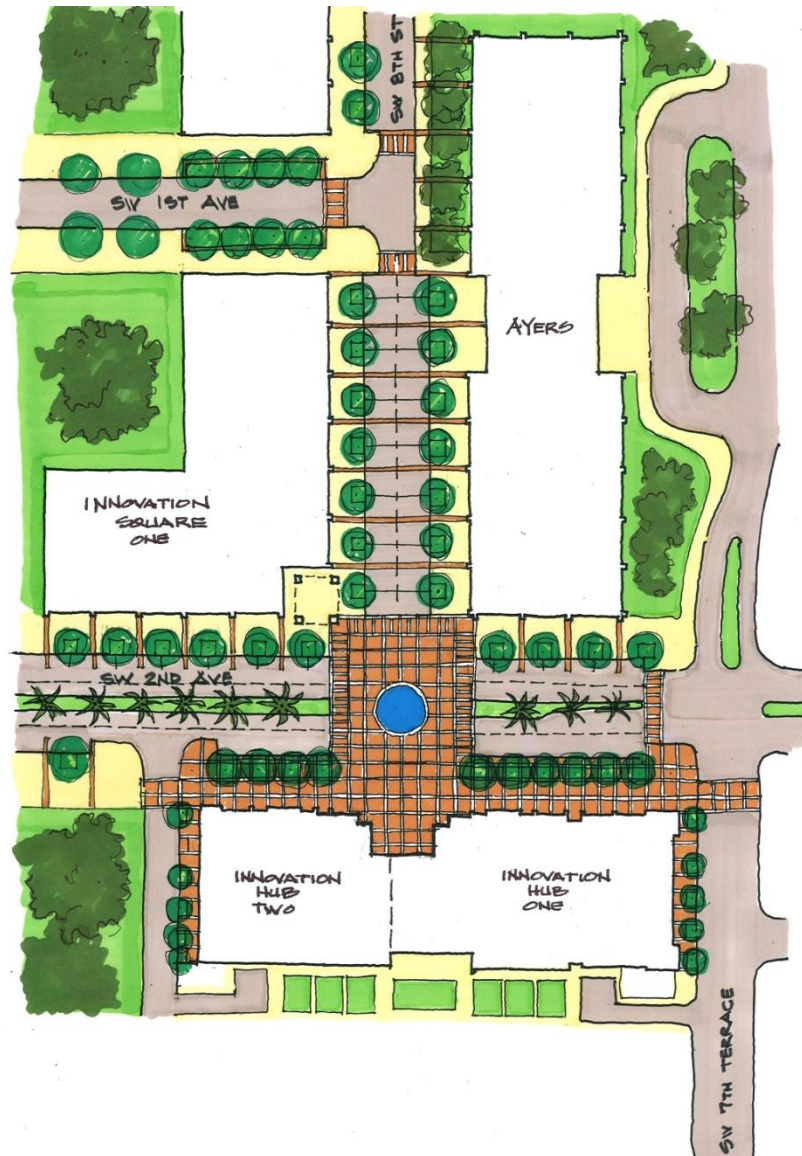


a new urban district that brings together people and places



INNOVATION SQUARE







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STREET LEVEL VIEWS





innovative jobs thriving in
a dynamic & sustainable
live/work/play environment





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BIRD'S EYE VIEW





innovative jobs thriving in
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