

MAR 23 2004 *gg/lbs*

RESOLUTION

of the
ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS
regarding
VAXDESIGN CORPORATION
QUALIFIED TARGET INDUSTRY TAX REFUND

Resolution No. 2004-M-14

PREMISES

WHEREAS, in 1994, the Florida legislature passed legislation establishing a “Qualified Target Industry Tax Refund Program” (“QTI Program”) to encourage the creation of new high-wage job opportunities in Florida by providing “tax refunds” to qualified target industries; and

WHEREAS, VaxDesign Corporation (“VaxDesign”) is a biotechnology company specializing in the development of proprietary vaccines and in vitro methods for rapid vaccine assessment; and

WHEREAS, VaxDesign is a spin-off of Sciperio, Inc., a Stillwater, Oklahoma scientific research and development company, and its technologies are the result of over \$25 million in investment by the Defense Advanced Research Projects Agency (“DARPA”) as part of the Rapid Vaccine Assessment and Unconventional Pathogen Countermeasures Program; and

WHEREAS, DARPA is the central research and development organization for the U.S. Department of Defense; and

WHEREAS, VaxDesign seeks to establish its headquarters and operations in unincorporated Orange County in the Central Florida Research Park, 2721 Discovery Drive, Orlando, Florida 32826; and

WHEREAS, VaxDesign anticipates creating 39 new jobs in Orange County at an average salary of at least \$67,000, which is twice the prevailing average wage of \$33,493; and

WHEREAS, VaxDesign anticipates that these jobs will be created according to the following schedule: twenty-five (25) jobs by December 31, 2004, six (6) jobs by December 31, 2005, and eight (8) jobs by December 31, 2006; and

WHEREAS, VaxDesign anticipates that the new jobs to be created will include seven management positions, five administrative positions, twenty-three engineering positions, and four production positions, and also anticipates that the average salary within each of these categories of jobs will be above the prevailing wage in Orange County; and

WHEREAS, VaxDesign is a subcontractor to Scripps Research, has ongoing contracts with the University of Central Florida Center for Research and Education in Optics and Lasers (“CREOL”), and anticipates coordinating its research with the UCF Biomolecular Science; and

WHEREAS, it is the goal of VaxDesign to become a multi-million company, which could serve as a catalyst for attracting other biotechnology companies to Central Florida;

WHEREAS, VaxDesign estimates that it will add \$3.1 million in capital investment to the Orange County tax roll over the next three years; and

WHEREAS, VaxDesign has applied to the Executive Office of the Governor, Office of Tourism, Trade, and Economic Development for approval as a qualified QTI Program applicant, and has applied for \$195,000 in tax refunds from the State of Florida under the QTI Program, representing \$5,000 per job; and

WHEREAS, in order for VaxDesign to be approved as a “qualified applicant” under the QTI Program, the Orange County Board of County Commissioners must adopt a resolution recommending the approval of VaxDesign as a “target industry business,” and committing “local financial support” in an amount equal to 20% of the annual tax refund (\$39,000); and

WHEREAS, competition for VaxDesign exists outside of Florida, and financial incentives are necessary to compete with other regions that have a strong biotechnology focus.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ORANGE COUNTY:

Section 1. The Board of County Commissioners of Orange County, Florida, hereby recommends that the State of Florida Office of Tourism, Trade, and Economic Development approve VaxDesign as a “qualified applicant” under the QTI Program.

Section 2. Subject to the terms of this Resolution, the Board hereby agrees to pay up to, but not to exceed, \$39,000 as the “local financial support” required under the QTI Program. Such amount shall be payable to the Economic Development Incentives Account within the Economic Development Trust Fund as specified herein.

Section 3. The County’s promise to pay the amounts specified in this Resolution is contingent upon (i) appropriation by the Board in each applicable year authorizing payment of the revenues hereunder, (ii) VaxDesign receiving the designation as a “qualified applicant” in connection with the QTI program, (iii) on an annual basis, award by the State of Florida of tax refunds under the QTI program, and (iv) receipt by Orange County government from VaxDesign of property taxes that equal or exceed the amount of the “local financial support” payment for each relevant fiscal year as outlined in Section 4 below.

Section 4. Unless provided otherwise in this Resolution, the County shall pay the “local financial support” in the following amounts:

| | |
|--------------|------------------|
| FY 2005-2006 | \$ 6,250 |
| FY 2006-2007 | \$ 7,750 |
| FY 2007-2008 | \$ 9,750 |
| FY 2008-2009 | \$ 9,750 |
| FY 2009-2010 | \$ 3,500 |
| FY 2010-2011 | \$ 2,000 |
| Total | <u>\$ 39,000</u> |

Such sums shall be paid from any legally available source or sources of revenue other than those specified in the QTI Program (or rules promulgated thereunder) as being ineligible for such purpose.

Section 5. In the event VaxDesign is approved by the State of Florida for tax refunds in an amount less than the \$195,000 requested, the local financial support to be paid by the County shall be proportionately reduced so that at no time will the County contribution exceed twenty percent (20%) of the annual tax refund awarded to VaxDesign under the QTI Program.

Section 6. This Resolution shall take effect upon receipt by the County of evidence that VaxDesign has been approved as a “qualified applicant” and has become eligible for tax refunds under the QTI program, as described herein.

ADOPTED THIS 23rd DAY OF MARCH 2004.

ORANGE COUNTY, FLORIDA

BY: *Richard T. Crotty*

for Richard T. Crotty
 County Chairman
 Board of County Commissioners

ATTEST: Martha O. Haynie, County Comptroller
 As Clerk to the Board of County Commissioners

BY: *Martha O. Haynie*
 Deputy Clerk

