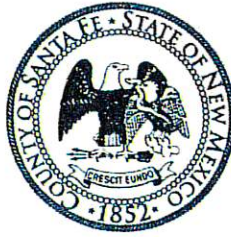


Henry P. Roybal
Commissioner, District 1

Anna Hansen
Commissioner, District 2

Robert A. Anaya
Commissioner, District 3



Anna T. Hamilton
Commissioner, District 4

Ed Moreno
Commissioner, District 5

Katherine Miller
County Manager

MEMORANDUM

Date: February 27, 2018

To: Board of County Commissioners

From: Chris Hyer, Economic Development Manager *CHH*

Via: Penny Ellis-Green, Growth Management Director
Katherine Miller, County Manager

Item: **Presentation and Report from Santa Fe Business Incubator (Marie Longserre, SFBI Director)**

SUMMARY:

The purpose of this presentation is to fulfill a requirement of a contract between Santa Fe County and the Santa Fe Business Incubator (SFBI). The original contract has been amended to offer business incubator services both at the incubator and to initiate a pilot program of bringing their services out in the communities. The services provided were business and workforce development oriented for businesses located outside the incorporated areas of the County. A copy of this report is included in the packet.

BACKGROUND:

On February 22nd, 2016, Santa Fe County entered into a PSA with the SFBI for professional services related to business outreach, tracking and training for Santa Fe County businesses located outside the incorporated area of the County. Deliverables for this contract include a report (included in the packet) presenting the number of new business startups, the number of businesses graduated from SFBI, the number of businesses assisted in retention efforts in 2016, an updated and detailed economic impact analysis, and details on outreach efforts with economic development groups and post-secondary schools and colleges. This contract was amended for 2017, which is a continuation of the original contract during fiscal year 2018.

In addition for this fiscal year, SFBI has been tasked with initiating a pilot program of providing their services in some of the more remote communities that are in the County. Rather than businesses going to their Santa Fe location for their services, the staff of SFBI went out to a couple of the communities within the County and met with groups that are interested in starting businesses. This additional task has successfully started conversations with new prospective businesses with teir now asking for the necessary resources to start a business venture.

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505-995-2740 www.santafecountynm.gov

The SFBI is to make a presentation to the Board of County Commissioners. The afore mentioned report will be part of that presentation as well an overview of the scope of Business Incubation services and programs offered, the economic impact of SFBI and its client companies, and a highlight of future activities and alliances.

Action Requested:

This is an informational presentation. There is no action requested.

Exhibits:

A – Report as per PSA: 2016-0264-GM BT – amendment 1 and amendment 2

B – Copy of the Power Point presentation slides

C – Presentation Handout (two per page)



Santa Fe Business Incubator * 3900 Paseo del Sol * Santa Fe, NM 87507 * marisel@sfbi.net * 505-424-1140

Santa Fe County Professional Service Agreement Report

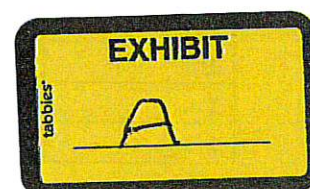
The Santa Fe Business Incubator (SFBI) was contracted by Santa Fe County to provide Business and Workforce Development services for Santa Fe County businesses located outside the incorporated areas of the County. As contracted the Santa Fe Business Incubator respectfully submits the following comprehensive written report.

The Santa Fe Business Incubator was asked to deliver the following data:

1. Number of new client startups, including tenants and affiliates that signed leases with the contractor in 2017 with information on NAICS code type of business and number of employees
2. Number of businesses that graduated from SF Business Incubator in 2017, with information of NAICS code type of business and number of employees
3. Number of other businesses assisted in retention/expansion efforts in 2017, with information on NAICS code type, number of employees and names of business
4. Updated and detailed economic impact analysis for 2017 as well as cumulative for years leading up to 2017 which include:
 - a. Aggregated data for new job creation, client revenue, taxes generated and capital attracted
5. Details on outreach efforts and/or partnerships and accomplishments with economic development groups
6. Details on outreach efforts to post-secondary schools and colleges

1.

New Client Companies 2017	NAICS code	number of starting employees
2	541511	4
2	423610	3
1	238220	2
1	561790	2
1	312111	1
1	453920	1
2	541712	5



2.

Graduate Client Companies 2017	NAICS code	number of employees
2	541511	10
1	339910	2
1	454111	1
1	312140	8

3. Total number of companies or individuals that participated in SFBI facility hosted trainings, business development activities and networking events in 2017: **11,082**

SFBI and its partners invite the business community to participate in trainings, workshops, seminars, and networking events at the Incubator. They are generally not required to provide detailed reports of their operations to attend. SFBI classifies and gathers information on those businesses or individuals that seek to engage one-on-one as prospects or affiliates. The companies or individuals listed below have identified their company description.

Prospect	City	Zip	Description
1	Santa Fe	87506	Accounting
1	Santa Fe	87507	Construction
1	Santa Fe	87507	Other
1	Snata Fe	87505	Manufacturing - small/craft/design
1	Santa Fe	87507-0824	Construction
1	Santa Fe	87501	Manufacturing - small/craft/design
1	SANTA FE	87505	Other
1	SANTA FE	87501	Automotive
1	Cerrillos	87010	Manufacturing - small/craft/design
1	Santa Fe	87508	Manufacturer - Food & Beverage
1	Santa Fe	87505	Accounting
1	santa fe	87507	Consulting
1	santa fe	87505	Other
1	Seattle	98103	BioTech - Research and Development
1	Albuquerque	87112	Technology - Software
1	Santa Fe	87505	Legal
1	Santa Fe	87507	Consulting
1	Santa Fe	87505	BioTech
1	Taos	87571	Agriculture

1	Santa Fe	87508	Health Care
1	Laporte	80535	BioTech
1	Santa Fe	87507	Other
1	Albuquerque	87102	Culinary
1	Santa Fe	87508	Manufacturing - small/craft/design
1	Santa Fe	87507	Other
1	Santa Fe	87505	Agriculture
1	Santa fe	87507	Construction
1	Santa Fe	87505	Agriculture
1	Santa Fe	87507	Manufacturer - Food & Beverage
1	Cochiti Lake	87083	Information Technology

4. Economic Impact

Year	Jobs Created (fte)	Revenue	Taxes (estimated)	Capital Attracted
2017	37.5	\$6,224,326.87	\$390,887.73	\$1,598,051.75
2016	27	\$7,564,308.77	\$475,795.02	\$6,427,682.67
2015	46	\$26,435,499.70	\$1,662,792.93	\$4,521,119.00

5. In 2017 the Santa Fe Business Incubator partnered with many economic development organizations and groups.

1) Santa Fe Business Incubator houses the North Central New Mexico Economic Development District, WESST's Santa Fe office, and a Santa Fe SCORE office. SFBI hosted and facilitated SCORE workshops for their Fall and Spring workshop series.

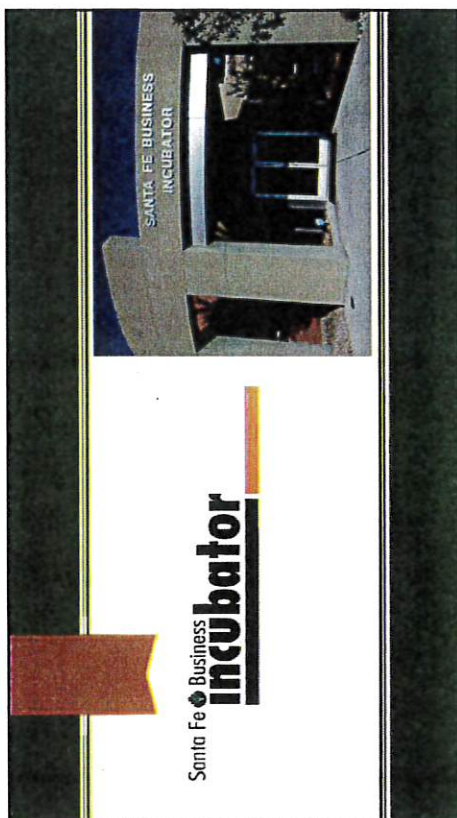
2) SFBI hosted, promoted and facilitated meetings and workshops with the New Mexico Small Business Assistance Program at LANL, Venture Acceleration Fund, New Mexico Angels, Regional Development Corporation, and the Feynman Center for Innovation at Los Alamos National Lab,

3) SFBI organized and hosted meetings of the Santa Fe Software Developers Meetup and the Santa Fe Film Makers Meetup.

4) SFBI hosted the Council on Foreign Relations for tours from Japan, North Africa, and Eastern Europe.

5) SFBI held two Eureka Effect programs in partnership with the NMSBA to facilitate connections between local small businesses and scientists from Los Alamos National Labs. One was BioScience focused and the second, done in partnership with the New Mexico MEP was specifically for manufacturing businesses.

- 6) SFBI participated in New Mexico Manufacturing Day in partnership with Finance New Mexico and the New Mexico Manufacturing Extension Partnership.
 - 7) SFBI held a SpokeShave pitch competition in partnership with the Feynman Center for Innovation.
 - 8) SFBI hosted and facilitated workshops for Leadership Santa Fe in partnership with the Santa Fe Community College and the Santa Fe Chamber of Commerce.
 - 9) SFBI organized and hosted Advisory Councils for Client companies that included members from New Mexico State Economic Development Department, New Mexico Manufacturing Extension Partnership, Santa Fe Community College, City of Santa Fe Business and Quality of Life Sub Committee, and the New Mexico Tech Council.
 - 10) SFBI organized Index events with the Santa Fe Public Library offering free business coaching to entrepreneurs
6. In 2017 the Santa Fe Business Incubator conducted outreach efforts to post-secondary schools and colleges
- 1) SFBI's Program Director and a senior member of the SFBI Board of Directors teach entrepreneurship classes at the Santa Fe Community College
 - 2) SFBI hosted the economics class from Santa Fe High
 - 3) SFBI hosts an entrepreneurship class from the Santa Fe Community College at the Incubator once per semester and SFBI's President & CEO meets with the class at the college to review the final presentations.
 - 4) SFBI President & CEO is a member of the Higher Education Center's Advisory Council



A business incubator is...

- a program designed to accelerate the successful development of entrepreneurial companies
- through an array of business support resources and services,
- developed or orchestrated by incubator management,
- and offered both in the incubator and through its network of contacts.

Business incubation works

Return on investment
\$1 public investment in incubator = \$30 in local tax revenue

Business retention
84% of graduates stay in community


Increased likelihood of business success
87% of incubator graduates stay in business

Source: Business Incubation Works, 1997; 2006 State of the Business Incubation Industry

Client services: Why incubation works

- Help with business basics
- Networking activities
- Marketing assistance
- Help with financial management
- Access to capital
- Links to university/corporate partners
- Business training programs
- Mentoring and coaching





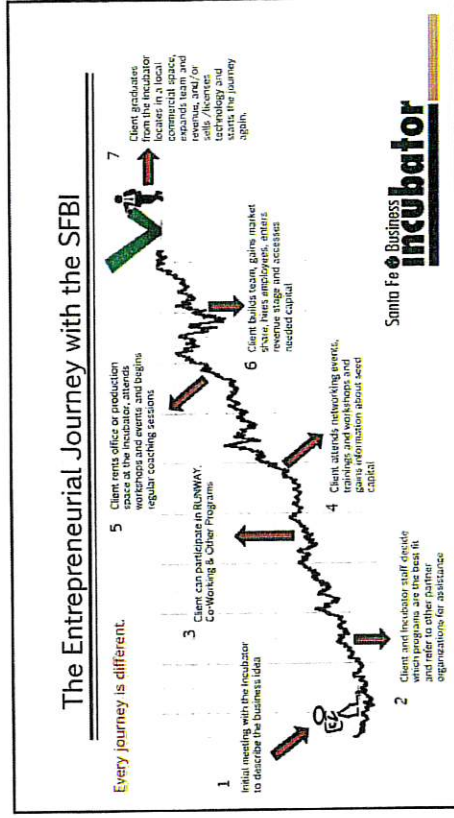
A typical mixed-use incubation program

Facility and clients
40,610 square feet
16 resident clients

Goals
Creating jobs
Fostering entrepreneurial climate
Enhancing Tax Base


Services
Marketing assistance
Networking
Access to loan funds
Business training programs

Source: 2006 State of the Business Incubation Industry



Santa Fe Business Incubator at a glance

- Founded in 1997
- Over 156 core businesses and startups
- Currently 18 clients, 4 affiliates, 6 co-working companies, and 3 Co-Located Partner Organizations
- 30,000 square foot facility



Highlights

- People engaged per year
 - Participants in trainings, meetings, networking – 11,082
 - Requests for assistance fielded – 275
 - Individualized assistance for non SFBI clients – 81
 - 20% assisted develop formal relationship with SFBI




Santa Fe Business Incubator Clients

- 2017
 - \$6,224,326.87 in Revenue
 - 48 New Jobs Created
 - \$4,655,984.91 in payroll
 - \$1,550,351.75 in investments

Santa Fe Business
incubator

Programs at SFI



Access to Capital



SFBI BioScience Lab



Santa Fe Business
incubator

Archimedes Fab Lab



Santa Fe Business
incubator

Highlights

- Graduates
 - Annual averages
 - Revenue - \$20 million
 - Property & Prs- \$15 million
 - Salaries - \$11 million
 - Purchases (local) - \$2 million

Santa Fe Business
incubator

SFBI Highlights

- SFBI has attracted \$7 million for infrastructure and programs
- SFBI Facilities current value \$4.8 million
- Investment in BioScience Lab \$1.25 million
- Archimedes part of Global Fab Lab Network
- Celebrating 20 years in operation

Santa Fe Business
incubator

Program Highlights



Expert in the House

- James Ortiz - Accounting
- Philips & Keil - HR
- Jim Glover - Branding
- Candice Owens - Law
- Tania Vasallo - Marketing
- David Hansen - Finance



Building the Business Different

- Venture Acceleration Fund
- How to Get Press
- How to Spread Your Word
- How to Get it Made



Index

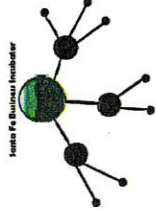
Index at the SF Public Library

- 44 individual participants
- 95% satisfaction level
- 86% very likely to recommend
- Over 18 volunteers from 4 organizations

Santa Fe Business
incubator

Rural Outreach


- Santa Fe Business Incubator will provide
 - Resources
 - Programs
 - Support
 - Network Connections



Santa Fe Business Incubator

Initial Community Selection

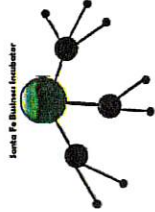
1. Identification of Pilot Communities
 - Geographic location within Santa Fe County
 - Existing Infrastructure
 - Library
 - Community Center
 - Entrepreneurship or Small Business Meetup Group
 - Existing Point of Contact
 - Exhibited Demand for Services



Santa Fe Business Incubator

Initial Community Selection

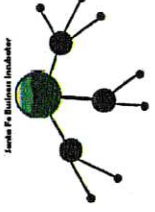
1. Identification of Pilot Communities
 - Sent out Requests for Assistance in identifying communities to the County Commissioners, Regional Development Corporation, New Mexico Economic Development Department, and the North Central New Mexico Economic Development Department
 - Received recommendations for three communities
 - La Cienega
 - Glorieta
 - Nambe



Santa Fe Business Incubator

Initial Community Selection

1. Identification of Pilot Communities
 - To date the Santa Fe Business Incubator has contacted
 - La Cienega Valley Association
 - Glorieta Camps
 - Nambe Pueblo



Santa Fe Business Incubator

Hub & Spoke Implementation



San Joaquin Business Incubator

2. Dissemination of Request for Assistance Surveys
3. Community Visit
4. Program Recommendations

The program recommendations made in stage 4 will be the basis, along with the individual coaching sessions, of a virtual incubation program and node development. Once piloted in two communities Santa Fe County can continue to expand the Hub and Spoke Model throughout the rural and unincorporated areas of the county. This pilot will serve to create a framework for community development and node creation that can be replicated.

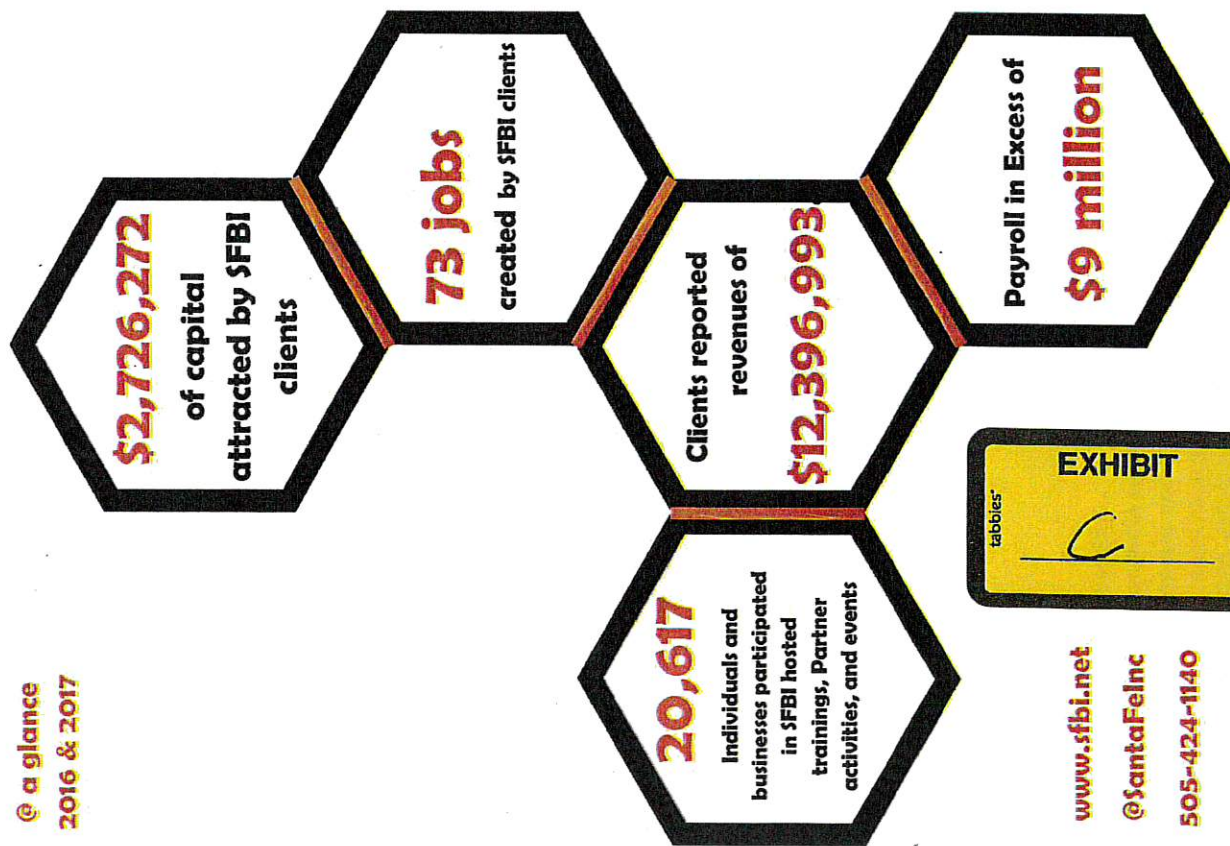
San Joaquin Business Incubator



San Joaquin Business Incubator

Santa Fe Business Incubator

@ a glance
2016 & 2017



@ a glance
2016 & 2017



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Building a new approach

Santa Fe Business Incubator developed a new model for customized program delivery creating greater value for companies and stakeholders

Building a new approach

Santa Fe Business Incubator developed a new model for customized program delivery creating greater value for companies and stakeholders

