

**CITY OF ELKO NEW MARKET  
ECONOMIC DEVELOPMENT AUTHORITY  
ELKO NEW MARKET CITY HALL  
601 MAIN STREET  
ELKO NEW MARKET, MINNESOTA 55054  
THURSDAY, APRIL 26, 2018**

**6:30 P.M.**

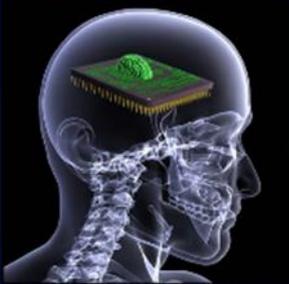
- 1. Call to Order**
- 2. Adoption of Agenda**
- 3. Consent Agenda**
  - a. Approve Minutes of the October 26, 2017 and February 22, 2018 Meetings of the Economic Development Authority
- 4. Public Hearings**
  - a. None scheduled
- 5. Continued Business**
  - a. None
- 6. New Business**
  - a. 2018 Fast Track Business Challenge - FSS
  - b. Countywide Incubator Plan - FSS
- 7. Executive Director's Report**
- 8. Adjournment**

# **Supplemental Item**

Consent Agenda Item 3a.  
Approve Minutes of the  
October 26, 2017 and  
February 22, 2018 Meetings  
of the Economic  
Development Authority will  
be provided as a  
supplemental item.

**FAST-  
TRACK**  
Business  
Challenge

# Scott County FAST-TRACK Business Challenge- 2018



# FAST- TRACK Business Challenge

## 2017 Event

Inaugural Event – “Shark Tank” like event

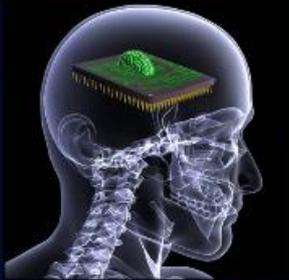
17 Interested parties from various Scott County Cities

4 Finalists from 4 Scott County Cities

5 Judges from 5 Communities

6 Sponsors/Service Providers from various Scott County Cities

Collaborative effort with FSS, Prior Lake Technology Village, Open to Business, City of Savage/Savage TV, all Cities & Chambers



# Four Finalists Competed for \$15,000 in Cash and Professional Business Services

## **FAST-TRACK Business Challenge Finalists**



Vernes Velegic  
Catboxpro



Scott Winter & Dr. J Anthony Allen  
IonConcert Media



MacKenzie Sexe &  
Luke Sexe  
SafeCup



Douglas Zietlow  
ZIET, LLC.

# Panel of Judges - 2017



## **FAST-TRACK Business Competition** **Meet the Judges**



**Lisa  
Bradley**

R. Riviter & Shark Tank  
Participant –funded!



**Bob  
Vogel**

State Representative &  
New Market Bank-FTC Sponsor



**Kirt  
Briggs**

Mayor City of Prior Lake  
Health Care Industry



**Charles  
Shannon**

VP Corp. Development  
Equus Holdings



**Paul  
Gatz**

Pres., State Bank of Belle Plaine  
FTC Sponsor

# FAST-TRACK Business Challenge

# Sponsors & Professional Service Providers

FAST-TRACK Sponsors and Service Providers!



**THANK YOU**

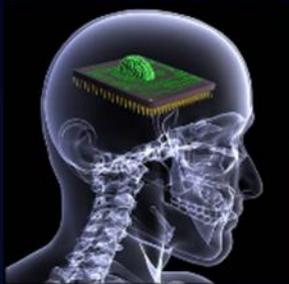
## Prize Packages

### 1<sup>st</sup> Place

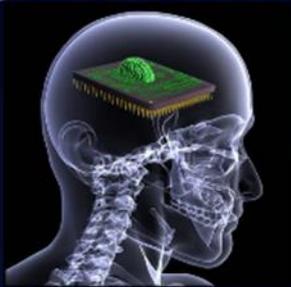
- ◆ Four hours of marketing/graphic design services; six hours of web design and five hours of marketing audit and planning, customer profiling, competitor analysis, branding and logo design from Fox Tracks Print & Marketing Solutions. (Value \$1,515)
- ◆ One year of accounting and tax services for free, including preparation of the first year's tax return (expires October 26, 2018) (Value: TBD)
- ◆ \$1,000 Cash Prize, from State Bank of Belle Plaine (Value \$1,000)
- ◆ Two hours of free legal services from KC Haugen Law, LLC. (expires April 26, 2018) (Value \$900)
- ◆ Technology Village – Virtual Participation, up to one year, which provides access to shared meeting space, shared cubical, a mail box, and educational programming. (Value \$600)
- ◆ One Executive Roundtable Session with the Technology Village Board of Directors (Value \$1,600)
- ◆ Open to Business Services- Free one-on-one business consulting services

### 2<sup>nd</sup> Place

- ◆ Six hours of marketing and graphic design services and six hours of web design services from Design-A-tivity. (Value \$1,500)
- ◆ \$500 Cash Prize from New Market Bank (Value \$500)
- ◆ Business to Business (B2B) credit reporting services to ensure the businesses you serve or who serve you are able to fulfill their obligations, from Argos Risk. Value (\$1,800)
- ◆ Technology Village – Virtual Participation, up to one year, which provides access to shared meeting space, shared cubical, a mail box, and educational programming. (Value \$600)
- ◆ One Executive Roundtable Session with the Technology Village Board of Directors (Value \$1,600)
- ◆ Open to Business Services – Free one-on-one business consulting services



# FAST-TRACK Business Challenge



# FAST-TRACK Challenge Winners 2017



Ion Concert Media, Inc.  
Belle Plaine, MN



ZIET, LLC  
Savage, MN

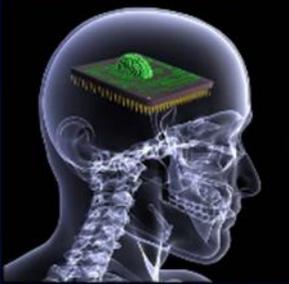
# FAST- TRACK

Business  
Challenge

# Awarded the Economic Development Association of MN's (EDAM) Program of the Year!



January 18, 2018



# FAST- TRACK Business Challenge

## Benefits of the Challenge

“Fast-Track” an up and coming Scott County business

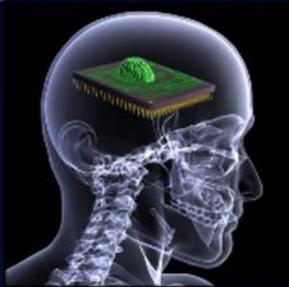
Fulfill our mission of matching entrepreneurs to resources via our business incubator and virtual program

Build a base to support a county-wide incubator program

Enhance economic development and create jobs in Scott County

Increase the success rate of a start-up business

- 48% 5-year success rate for new businesses on their own
- 87% 5-year success rate for businesses in an incubator



# FAST- TRACK Business Challenge

## Timeline - 2018

Feb-March

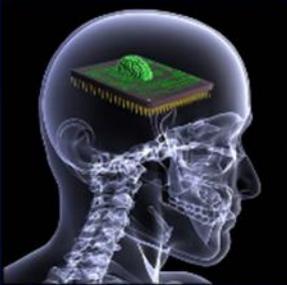
- Market to Cities/Organizations
- Obtain Sponsors and Professional Service Providers

April-June

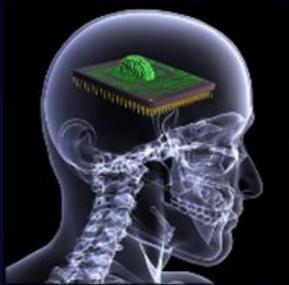
- Market to Businesses/Entrepreneurs
- Identify Judges
- Identify Prize Packages
- Begin Accepting Applications

July-  
October

- Review Applicants and Select Finalists
- Practice Pitches with Finalists
- Meeting with Judges
- Select location/venue
- Host the FAST-TRACK Challenge Competition



# FAST- TRACK Business Challenge



# 2018 Business Challenge



## Your Opportunity

Sponsorship Opportunities

Service Providers (In  
own space)

Applicants local of  
private space

Marketing

# 2017 Video Production

[Open](#)

## 2017 Scott County FAST-TRACK Business Challenge

FAST-  
TRACK  
Business  
Challenge



Ion Concert Media



ZIET LLC

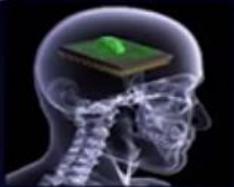
Meet our  
finalists!



SafeCup



Catboxpro



Complete Copy of the FAST-TRACK Challenge available to view at:  
[http://savage.granicus.com/MediaPlayer.php?clip\\_id=940](http://savage.granicus.com/MediaPlayer.php?clip_id=940)

# FAST- TRACK Business Challenge

## Questions?

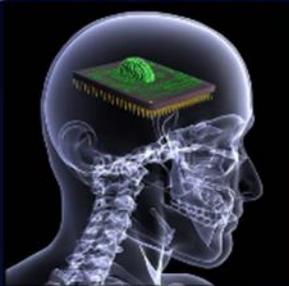


Jo Foust, Business Development Specialist  
Scott County First Stop Shop  
[jfoust@scottfss.org](mailto:jfoust@scottfss.org) 952-496-8830

FAST-TRACK Challenge Promo Video (3 ½ minutes)  
[FAST-TRACK Challenge Promo Video](#)

FAST-TRACK Highlights Video (10 minutes):  
[FAST-TRACK Business Challenge Highlights Video 2017](#)

Full FAST-TRACK Challenge Video (1 hr. 43 minutes):  
[FAST-TRACK Business Challenge Event 2017](#)



# Scott County Incubator- Accelerator Program



April, 2018

# What is incubation?

## Definition

### Business Incubation is...

the process of accelerating the growth and success of start-up and early stage companies through an array of business support resources and services that could include:

- Physical space
- Capital
- Coaching
- Common services &
- Networking connections.



# Why incubate?

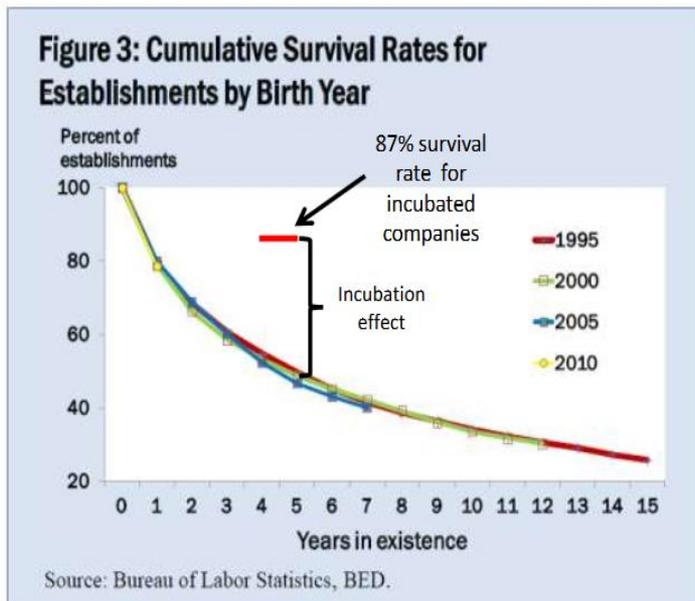
- Prior Lake Technology Village in its 6<sup>th</sup> year
  - 2 participants with physical space
  - 4 virtual participants
  - 23 employees
- 2015 Greenwood Consulting Group Study (EDI grant)
  - Phase III Program Analysis- recommended County-wide model
- Key Components
  - Mentorship
  - Networking
  - Education



# Why incubate?

## Survival Rates Improve

Incubation significantly boosts new business survival rates.



About 48% of businesses are still alive by Year 5.  
**(52% are DEAD!)**

In an incubation environment the 5-year survival rate is **87%**



# What does this mean to us?

## 901 NEW SCOTT COUNTY BUSINESS FILINGS

23 Belle Plaine  
32 Elko New Market  
47 Jordan  
69 New Prague  
240 Prior Lake  
191 Savage  
299 Shakopee

## 432 AFTER 5 YEARS VS. 784

(If all take advantage of a program)

No Asst.

With Asst.

11 in Belle Plaine vs.	20
15 in Elko New Market vs.	28
23 in Jordan vs.	41
33 in New Prague vs.	60
115 in Prior Lake vs.	209
92 in Savage vs.	166
144 in Shakopee vs.	260

# Advantages to a County-Wide Model



# Goal and Optional Programs

To provide a venue to encourage and nurture innovation and entrepreneurship in a collaborative environment, resulting in the expansion of high wage, high skilled jobs in Scott County.

Technology Village supports the growth of emerging technology-based businesses within an entrepreneurial environment that encourages collaboration, fosters job creation and provides connections to local & regional resources

# Examples of Incubation Models

## City-owned space

- Lease at \$10 per sq. ft.
- Mentor
- Educational Programs
- Networking

## Virtual Program

- In private space or home-based
- \$50/month
- Mentor
- Educational programs
- Networking

## Rent Subsidy

- Private space in a city; business leases
- City/EDA subsidizes a % or maximum amount/month
- Required to participate in mentorship, education and networking
- Other requirements

Professional Office Space – Retail – Industrial

# Examples...



**RENTAL ASSISTANCE**

**WHAT DOES RENTAL ASSISTANCE DO?**

1. Months 1-6: 50% subsidy or \$830/month maximum
2. Months 7-12: 33% subsidy or \$560/month maximum
3. Months 13-18: 17% subsidy or \$275/month maximum

- Promotes Mixed Uses
- Fills Vacant Structures
- Creates Ability to Utilize Services from Local Businesses

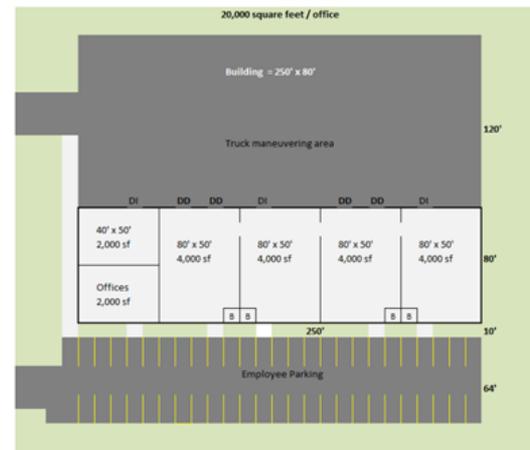
## Stewartville

- Rent Subsidy
- Virtual Participation
- Mentorship through SCORE, Initiative Foundation
- Requirements defined

## Hutchinson

- City owned industrial building.
- 20,000 sq. ft.
- Incubator program to develop businesses to occupy the city owned industrial park

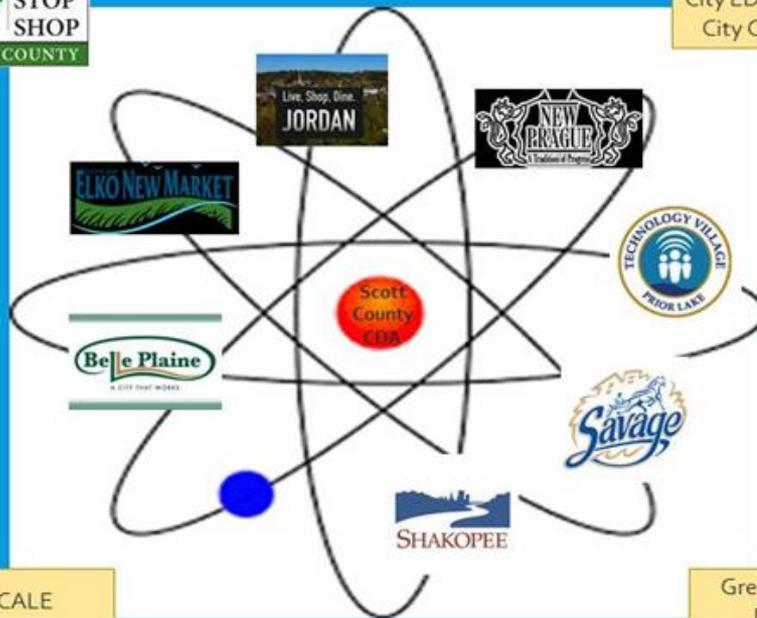
## Building Layout



- ✓ 80' wide bays
- ✓ Bathrooms
- ✓ 2 Docks
- ✓ 2 Docks roughed in
- ✓ 3 drive-in doors
- ✓ Utilities separately metered

# Proposed Ecosystem

## SCOTT COUNTY INCUBATOR ECOSYSTEM



City EDAs/EDCs  
City Councils

### Current functioning groups:

- First Stop Shop (Scott Co. CDA)
- Technology Village – Prior Lake. *established 2012*
- Open to Business/MCCD
- SCALE

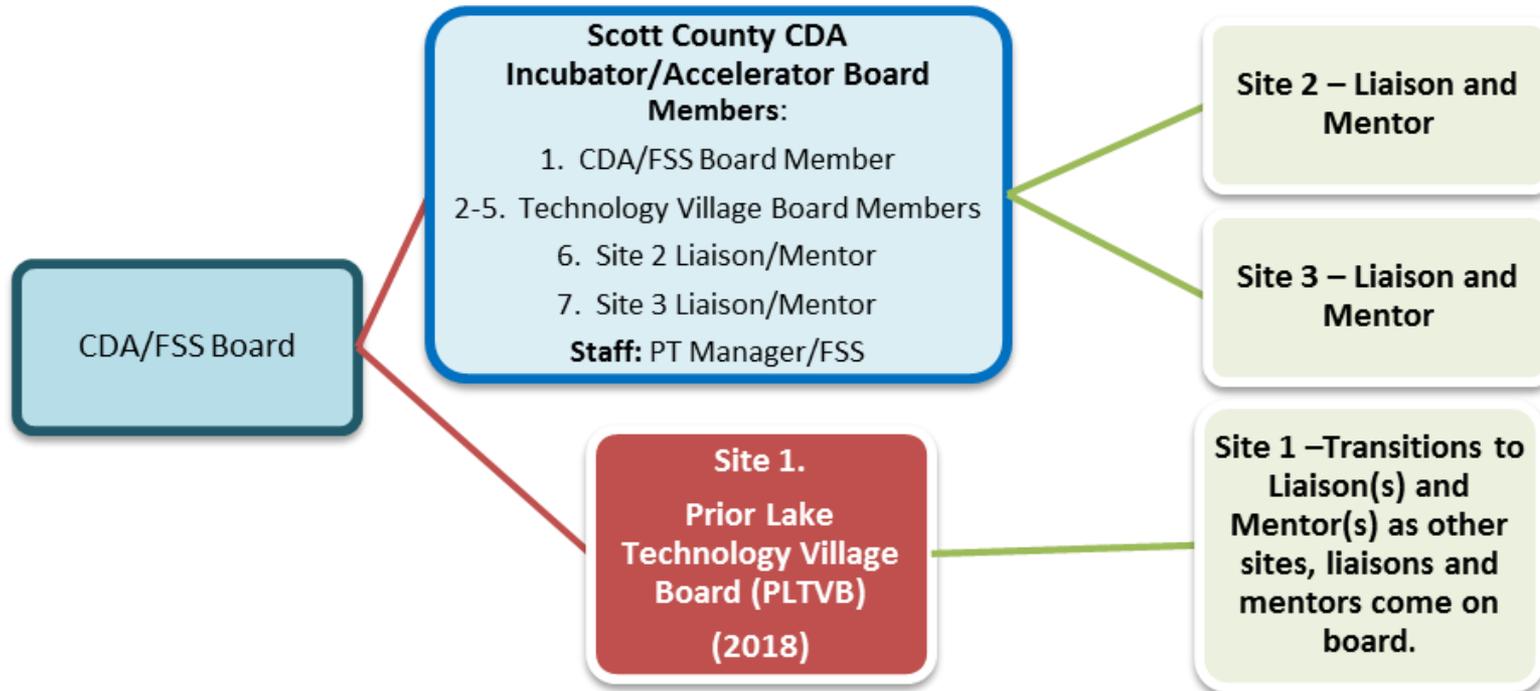
### Anticipated Launches 2018+:

- Belle Plaine
- Elko New Market
- Jordon
- New Prague
- Savage
- Shakopee

SCALE

GreaterMSP  
DEED

# Proposed Management



FSS Incubator Manager to oversee the program and coordinate with local city representatives and the Board.

Service Providers and Mentors from across Scott County

# Funding the Program

## City-owned Incubator Space – Prior Lake Technology Village

- Initial Capital Expense for build-out, furniture & equipment, key fobs, etc.
- Possible EDI grant category? (Matching expense) To be discussed
- On-going Operational Budget
  - PLTV: 2017 revenue: \$8292; expenses of \$1,336. Net income \$6,956 (excludes staff time, janitorial, utilities, etc.)

## Rent-Subsidized Virtual Program



### Program Funding and Partnerships

Partnerships helped to create, fund and substantiate the program.

#### WHO ARE THEY?

- **Stewartville EDA** - \$30,000 + Staff Time/Resources
- **Southern MN Initiative Foundation** - \$9,000
- **Community and Economic Development Associates** - Business Education (\$6,000 Value)
- **Local Chamber of Commerce** - Education Marketing
- **Regional Small Business Development Center** - Small Business Counseling and Resources

\*Note: Scott County is outside the Initiative Foundation service territory.

# Funding Sources

## **New Building Construction Costs**

- Land
- Building/construction
- Furnishing /Equipment
- Maintenance
- Insurance
- Utilities
- Telecommunications
- Marketing and Training
- State/Property Management Costs

## **Funding Sources**

1. Tax Increment Financing – existing or Economic Development District
2. MIF Dollars – Federalized or De-federalized
3. City – Excess Bond Fund or General Fund
4. Federal EDA

# Metrics for an Incubator



# Process

## Plan

- Business Plan Draft
  - FSS and TV Board
  - City input incorporated
  - FSS Board received

## Community Engagement

- Meeting with Cities to determine interest
  - Shakopee (Feb 2<sup>nd</sup>)
  - Savage (Jan – waiting until April)
  - New Prague (Feb. 14<sup>th</sup>)
  - Belle Plaine (March 12<sup>th</sup>)
  - Elko New Market (April 24<sup>th</sup>)
  - Jordan (May 15<sup>th</sup>)

## Revise & Implement

- Discuss with CDA/FSS Board
- Review EDI Grant categories/Funding
- Amend Business Plan as Needed
- Bring on new site(s) and Virtual Participants
- Create New County-Wide Incubator Board





# STAFF MEMORANDUM

<b>SUBJECT:</b>	Countywide Business Incubator Program & 2018 Fast Track Challenge
<b>MEETING DATE:</b>	April 26, 2018
<b>PREPARED BY:</b>	Renee Christianson, Community Development Specialist
<b>REQUESTED ACTION:</b>	Informational - No Action Required

## COMMUNITY VISION:

- A mature growing freestanding suburb of the Twin Cities Metropolitan Area, preserving historic landmarks and small town character while providing suburban amenities and services, as well as full range of employment, housing, business, service, social, technology infrastructure and recreational opportunities for citizens and visitors
- Promote a diverse commercial base including light industrial and facilitating planned redevelopment which will be aesthetically pleasing with architectural standards that promotes quality development
- Provide a full range of municipal services to its residents. The City will allocate sufficient resources to meet the growing needs of the community
- A comprehensive park and trails system that will have sufficient facilities, play fields and open space to meet the needs of residents
- An effective and efficient transportation system, including access to the greater metropolitan area, transit opportunities, and improved connectivity to the interstate
- Provide community oriented local government and be financially sound, engaging in long-term financial planning to provide municipal services without undue burden on tax payers

## 5 YEAR GOALS:

- Diverse tax base, employment opportunities, additional businesses and services, promote high quality broad spectrum of residential development
- Advance "shovel ready" status of areas guided for commercial and industrial development
- Acquisition of land for public purposes, position City to take advantage of land acquisition opportunities
- Enhance quality of life through parks, trails, recreational programming and cultural events
- The development of residential lots and an increase in residential building permit activity

## COMMUNITY ORIENTED LOCAL GOVERNMENT:

- Community Involvement
- Organizational Improvement
- Problem Solving
- Performance Measurement
- Professionalism

**DISCUSSION:**

The Scott County CDA – First Stop Shop will be attending the EDA meeting and would like to discuss a possible County wide business incubator program and also the 2018 FAST Track Challenge. Council may recall, the First Stop Shop attended the EDA meeting in April of 2017 to introduce these items. Staff’s understanding is that changes are being considered to the business incubator program and input is being sought.