

UNIVERSITY OF MINNESOTA

Twin Cities Campus

*Office for Business & Community
Economic Development*

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TO Jonathan Palmer, Director, Minneapolis Empowerment Zone

From: D Craig Taylor, Director, Office for Business & Community Economic Development

Subject: Empowerment Zone Funding

Date: September 4, 2007

Attached please find the information you requested. As we discussed I attempted to frame our proposal for the University Enterprise Center in consideration of a potential partnership with the Empowerment Zone (Please see the Executive Summary paragraph 2).

We are extremely excited about the opportunity to partner with the Empowerment Zone in an effort to support the neighborhoods of North Minneapolis and to assist in providing long term sustainable economic development to an important vital community of greater Minnesota.

Please don't hesitate to call me at your convenience if you have any questions



**The University of Minnesota
Northway Center for Economic Development**



Prepared by:

The Office of Business and Economic Development

The University of Minnesota

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Contact: Mr. D. Craig Taylor, Director 612-624-0530

Executive Summary

Strategic Direction

Mission

The mission of the University of Minnesota's Office for Business & Community Economic Development (OBCED) is to contribute to the economic growth and development of Minnesota communities.

The University Center for Economic Development's (UCED) mission is to contribute to the economic growth and development of north Minneapolis.

Background

The University of Minnesota's Office for Business & Community Economic Development (OBCED) together with other public and private entities will collaborate to establish the University Center for Economic Development (UCED) in north Minneapolis. The purpose of the Center is to serve as a catalyst for economic revitalization in north Minneapolis while also connecting north Minneapolis to the regional economy. The Center's goal will be to promote economic growth and expansion in these neighborhoods. The Center will provide high quality economic development assistance that connects and benefits public, private and community stakeholders. The Center will serve as a laboratory for innovation, technology transfer and research, a gathering place for education and networking, and a clearinghouse for information. The Center's services will focus on business and nonprofit development, entrepreneurial training, job creation/employment and neighborhood revitalization.

UCED will provide a multi-dimensional, economy-centered approach aimed at the revitalization of the Broadway and Plymouth corridors and the broader north Minneapolis. Connecting the local environment to the regional market will help stimulate development and commerce along these major corridors, subsequently strengthening the tax base and improving the community's economy. These changes will fundamentally help to reduce poverty and unemployment and improve the overall quality of life in these neighborhoods by emphasizing sustainable development that is economically sound.

Empowerment Zone Partnership

As part of the Universities long term strategy to promote sustainable community development it will collaborate with the Empowerment Zone to develop key strategies to promote economic revitalization and business expansion in North Minneapolis. In an effort to support the intent of this collaborative the UEC will form partnerships with various community development organizations based in North Minneapolis. Initially, two of these partnerships will be NEON and the West Broadway Business Association (WBBAC). Existing organizations such as NEON and WBBAC will be important partners in tailoring and delivering UEC programs to north Minneapolis businesses, residents and youth. Each component of the UEC business model facilitates collaboration allowing each partner to focus on the core competency of their organization.

The primary goal of the Universities partnership with NEON, WBBAC and other North Minneapolis community development organizations will be to:

- Provide resources to help these organizations serve their customers/constituent base
- Provide management and technical assistance to these organizations in an effort to help them build capacity and improve service outcomes
- Develop custom training programs for businesses, non profits, and job seekers at the request of NEON and WBBAC and provide delivery system support for each training model
- Provide opportunities for NEON, WBBAC and other community development organizations to leverage the innovation and tech transfer of the business incubator to impact and support their organizational objectives.
- Provide empowerment zone residents, businesses and nonprofit organizations with access to the Universities information library.
- Provide these organizations assistance in doing market research and analysis and feasibility studies, to support their organizational objectives.
- Provide outreach and support to empowerment zone residents, nonprofits and businesses by acting as a clearinghouse for information, a place to provide educational tools and networking opportunities.
- Provide entrepreneurship training for empowerment zone youth

Business Rational

While the broader influence of universities on the regional economy is better understood, the impact of university involvement in urban areas and economically distressed inner cities remains relatively undocumented. Despite limited supporting data, many universities significantly impact the vitality and revitalization of inner city economies through operating and academic activities. The results of these activities build vibrant surroundings, allowing the city as a whole to attract and retain businesses and skilled workers. Since the University is an enduring component of Minnesota's urban economy it must become a leader in enhancing urban vitality.

Business, government, academia and community groups periodically partner on a variety of economic and social issues. However, these partnerships have largely been missing from inner-city economic revitalization. The alternative is for institutions like the University (and its partners) to support economic development and community building by leveraging its assets and resources to help develop the skills, assets and capacity of these communities. The key to neighborhood regeneration is to build upon the resources the community already controls and to harness those that are not yet available for local development purposes. The University, along with other partners, can play an integral role in helping the community assemble its assets and capabilities into new combinations, and new structures of opportunity.

Objectives of the University Center for Economic Development

The objectives of the Center are as follows:

- Provide a central resource within north Minneapolis which offers accessible and affordable economic development services.
- Promote business opportunities, capacity building, and job expansion for businesses and nonprofits.
- Stimulate socioeconomic empowerment within diverse communities by establishing initiatives and programs that create opportunities for businesses owned by individuals historically and currently underrepresented.
- Form partnerships and strategic alliances with corporations, government, and community organizations to foster economic diversification, entrepreneurial expansion, new business start ups and job creation.
- Connect the local economy to the regional economy by identifying local economic assets and assembling these assets into new combinations and structures of opportunity.

- Provide training and employment opportunities for community residents in the skilled trade professions.
- Develop strategies and implement programs to promote diversity in hiring and the purchasing of goods and services within the University of Minnesota system.
- Leverage the assets and resources of the University to support the economic development and revitalization of urban communities.
- Leverage University research capabilities to enhance community development activities and serve community needs.

In support of this mission, the University of Minnesota proposes an expansion by creating the University Center for Economic Development. The Center's goal is to promote economic growth through increased productivity and innovation in the neighborhoods which comprise north Minneapolis.

History and Current Status

The Office for Business and Community Economic Development is currently located on the University of Minnesota East Bank Campus at 2221 University Avenue SE, Suite 136, Minneapolis, Minnesota 55414.

The Office for Business & Community Economic Development (OBCED) was created in 1999 to advance the University's interests in promoting economic development, training, and employment opportunities for historically underserved communities. The University recognized a unique opportunity to play a significant role in improving the quality of life and conditions of disenfranchised populations through programs and initiatives designed to foster business, community, and economic development.

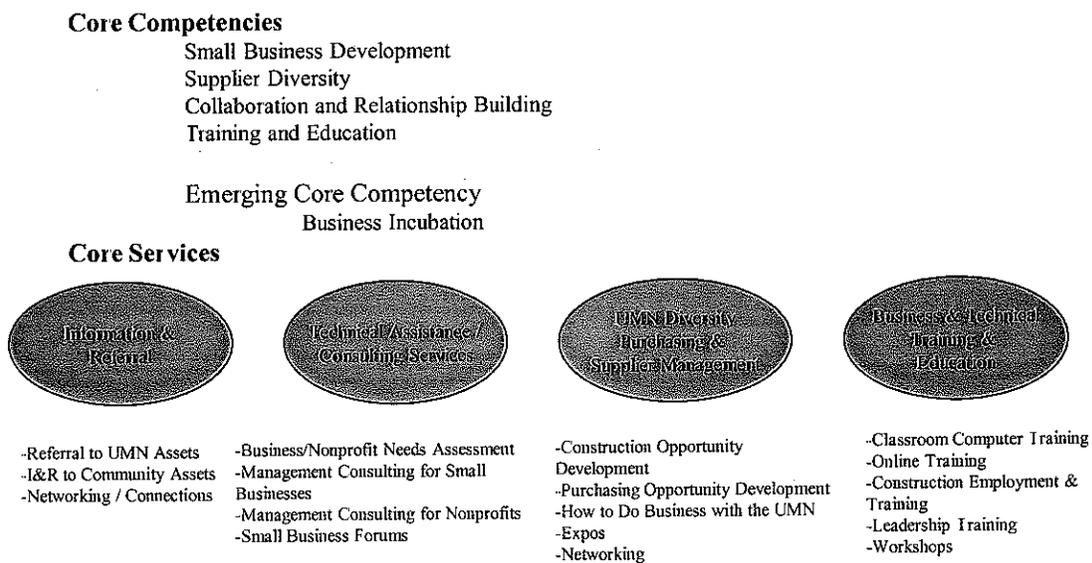
In only a few years, the OBCED has expanded its services from a single program to an office with eight primary program offerings.

1. Management Assistance Program (MAP) for Small Businesses: Provides management consulting to small businesses by utilizing faculty, staff and graduate students from the Carlson School of Management, the Humphrey Institute, IT and the Law School.
2. Small Business Development Program: Focuses on linking businesses owned by women, minority, and disabled persons with contract opportunities at the University.
3. Management & Technical Assistance Program (MTAP) for Nonprofits: Designed to help nonprofits build capacity and enhance performance through the assistance of University students and faculty.
4. Executive Leadership Development Program: Designed to teach leadership skills to small business executives to enable them to build capacity and performance, to formulate vision and strategies, and to effectively compete.
5. Small Business Seminar Series: A quarterly educational and networking forum, which provides small business owners with practical insights, information and tools to stay competitive. The Small Business Seminar series is offered through a collaborative effort between the University, the banking industry and the government.
6. Computer Training Program: Serves small businesses and nonprofits via a number of computer training programs including word processing, presentation development, website development, graphics, database management and accounting/finance (QuickBooks). Courses are offered at OBCED's office utilizing the IBM Training Lab.
7. Construction Employment and Training Initiative: Provides entry-level positions for community residents who are interested in the construction trades industry. The program informs, recruits, trains and places residents on University construction projects.
8. Comcast (formerly Time Warner Cable) Scholarship & Internship Programs: Five scholarships are awarded each year to students within the School of Journalism and Mass

Communications department at the University. Scholarships are based on contributions to diversity, academic achievement, and leadership. Internships are offered each summer at Comcast.

The OBCED's strategic direction is to continue to expand its services in enabling entrepreneurial businesses, small businesses, and nonprofits, while leveraging the University of Minnesota's unique assets. The OBCED effectively utilizes its resources, capabilities and competencies, which enable it to offer strategic services in ways that few others can.

Recognizing these assets, the OBCED acknowledges its core competencies and services as outlined below.



Industry Analysis / Market Strategy

The University Center for Economic Development will be located at the Plymouth Avenue and Penn Avenue intersection in north Minneapolis. North Minneapolis is one of the city's most distressed areas comprised of fifteen distinct neighborhoods and 67,000 residents.

The business and economic development strategies of the University Center for Economic Development (UCED) must be firmly based in the community and economic context of north Minneapolis if it is to maximize opportunities for positive change.

A number of variables are used to determine what businesses and business services should be targeted for north Minneapolis. Based on economic conditions, existing services available to north Minneapolis businesses, the University of Minnesota's organizational strengths and the goals of the UCED, it is

recommended healthcare, educational services, construction, and nonprofits sectors be targeted with special emphasis on business creation opportunities in the healthcare sector. Assistance to these sectors will not only accomplish a stabilization of key north Minneapolis employment sectors but also reinforce and potentially expand existing industry clusters.

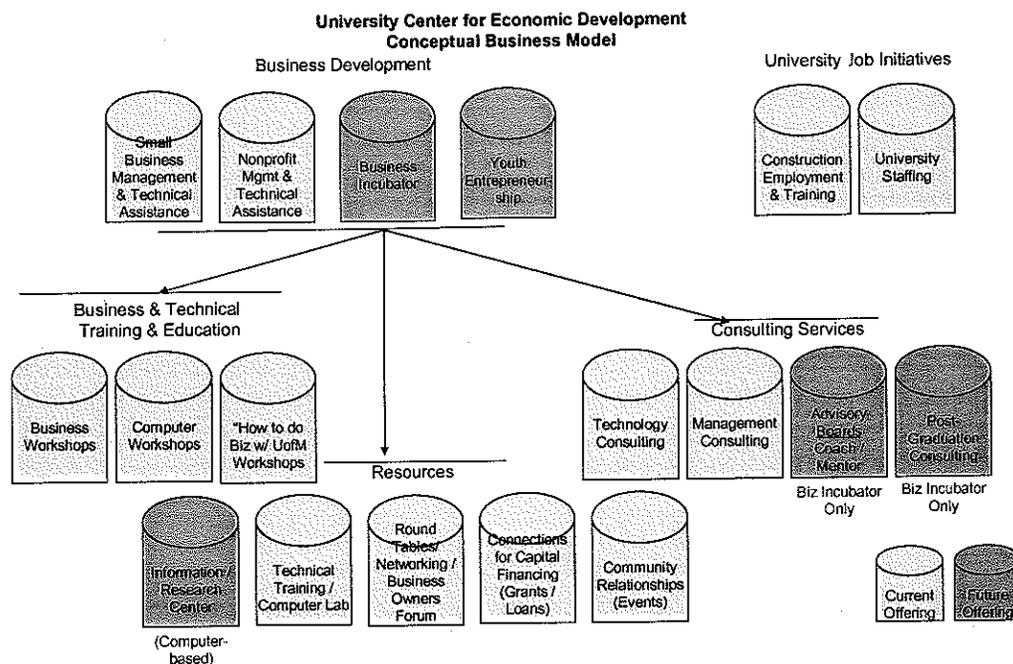
While any business in north Minneapolis is encouraged to seek help with UCED's Management and Technical Consulting services, UCED will target healthcare businesses to participate in its Business Incubator.

The healthcare sector is of particular interest for the UCED for the following reasons:

- Within the metropolitan area, employment in the healthcare sector grew at a rate of six percent between 2002 and 2004. During this time, over 12,000 new establishments were created in the healthcare and social assistance industry.
- The healthcare sector has a strong presence in north Minneapolis despite a ten percent employment decline between 2002 and 2004.
- The healthcare sector has a LQ ratio of 1.2, which means that there is a cluster in and around north Minneapolis. This sector can be built upon for greater economic impact.
- The University of Minnesota's healthcare programs, research and intellectual assets help to shape the overall industry.
- The regional clustering of healthcare in the Twin Cities ensures that skilled resources are available to build capacity.

Business Model / Products and Services

The University Center for Economic Development envisions the following small business development environment:



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The University Center will be comprised of five primary initiatives:

1. Small Business Management & Technical Assistance
2. Nonprofit Management & Technical Assistance
3. Business Incubator for New Start-ups
4. Youth Entrepreneur Program
5. University Job Initiatives

These five initiatives are supported through the following resources and capabilities of the University of Minnesota

1. Business & Technical Training and Education
2. Consulting Services
3. University Resources
 - Information Clearinghouse/Research Center
 - Technical Training
 - Networking Opportunities
 - Connections for Capital Financing
 - Community Relationships

Program Outcomes/Impact

There are many possible outcomes of management consulting services and business incubators. Determining the appropriate goals and measures is critical. While many business assistance programs track the number of businesses served or the numbers of or amounts of loans provided to small businesses, it is often difficult to measure true economic impact. Ideally, an organization will measure multiple different facets of their business assistance programs. Possible considerations for calculating economic impact include:

- Job creation
- Technology commercialization
- New business formation
- Wealth creation
- Tax revenue generation
- Neighborhood revitalization
- Economic diversification
- Empowerment of women, minority and low-income individuals

It is also possible to conduct comparative analysis with other university business incubators.

According to a study completed by Mt. Auburn Associates, Inc. for the U.S. Department of Commerce Economic Development Administration in December 2001, it has proven difficult to completely understand the economic impact of university involvement in inner city development. This is because the users/clients of the economic development center (not the center itself) generate concrete economic impacts in the form of new or expanded businesses or new jobs created. The connection between the center's activities and the subsequent economic impact is further diluted when one considers the time lag between the center's assistance and the user outcomes, the limited ability to track the users' impact to the local or regional economy, and the ability to apply the outcomes to a particular center.¹

¹ Mt. Auburn Associates, Inc., Brandon Roberts & Associates, Karl F. Seidman Consulting Services, "An Evaluation of EDA's University Center Program", U S Department of Commerce Economic Development Administration, December 2001; http://www.eda.gov/ImageCache/EDAPublic/documents/pdfdocs/1g3_5f23_5funivcentereval_2epdf/v1/1g3_5f23_5funivcentereval.pdf
(Note: EDA: Economic Development Administration)

Despite these difficulties in understanding economic outcomes, the OBCED has been successful at measuring service capabilities in a variety of forms. Since the inception of OBCED, the following program outcomes have been recognized.

- Have provided management and technical assistance to approximately 130 small businesses. These companies range in size from \$500k to \$21m in annual revenues
- Management and technical assistance provided to these firms has improved profitability by an average of 17%
- Management and technical assistance provided has increased overall capacity and efficiency by 31%
- Net result of new jobs created after receiving technical assistance average 1½ jobs per company or 190 total positions
- Have hosted or co-sponsored over 50 seminars, workshops, and networking events for small businesses
- Have provided training in technology, leadership and finance to over 100 owners or employees of small businesses

Goals and related measurements have been established for the University Center for Economic Development. The specific measurements will vary by the program and constituency focus. However, they fall into the following categories:

- Measurements comparing supply versus demand; Capacity measurements
- Number of participants (clients, volunteers, graduate students, faculty) measuring interest in mission and overall community engagement
- Progress and performance measurements of new businesses assisted by UCED
- Client satisfaction

Marketing and Public Relations

The University Center for Economic Development will be targeting six primary constituencies. They include:

- North Minneapolis residents, businesses and nonprofits as part of community building
- Entrepreneurs throughout the Twin Cities interested in locating within north Minneapolis
- North Minneapolis micro-enterprises, small businesses and nonprofits seeking assistance in building capacity
- North Minneapolis residents seeking jobs at the University of Minnesota
- North Minneapolis youth interested in exploring the world of entrepreneurship
- University of Minnesota graduate students interested in gaining practical experience while supporting the UCED mission in economic development
- Volunteer successful entrepreneurs, business executives, faculty, financial advisors, and lawyers to serve as coaches/mentors for new entrepreneurs and to participate on an advisory board of an entrepreneurial business.

The UCED expects to engage community and build relationships through a variety of avenues including, but not limited to: a dedicated web site, media (local newspapers, radio), marketing material, and community events.

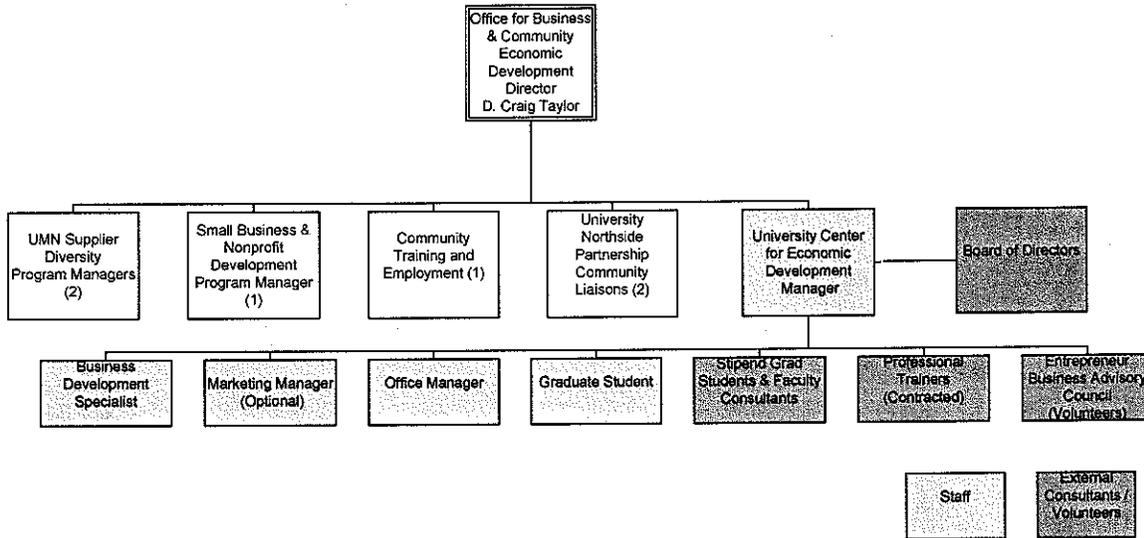
Operations and Staffing

The Operations Plan outlines projections for demand and capacity, how demand will be met, performance measures, and facility requirements for each service offering. In summary, UCED expects to

- Offer management and technical assistance to 20-30 Northside businesses and nonprofits per year

- Serve five to six businesses within its business incubator within three years and maintain an 80% occupancy rate
- Serve 75-120 youth per year through a youth entrepreneurship program.
- Train 150 small business and nonprofit owners and employees in computer skills and applications each year

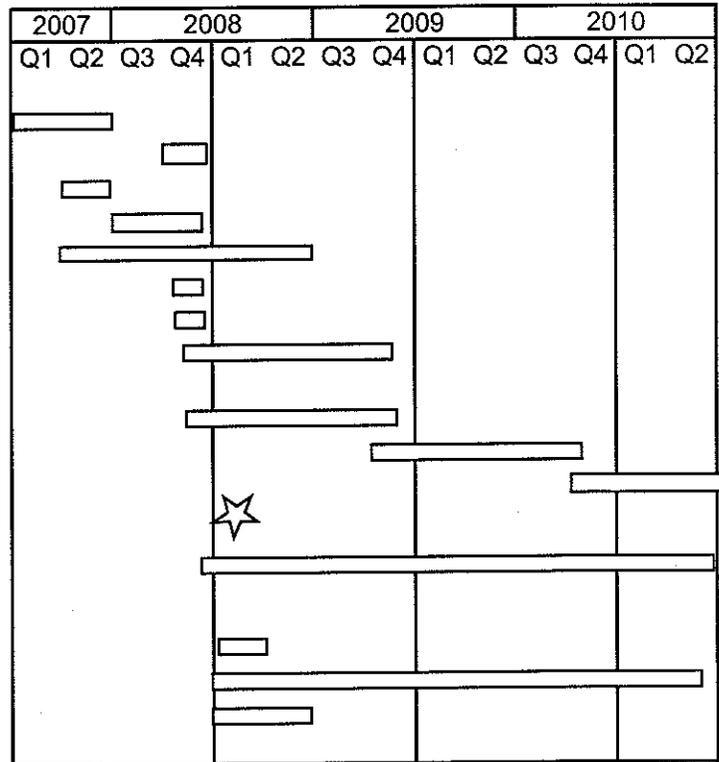
To meet the needs of Northside businesses, nonprofits, and residents, the UCED will have the following organizational structure:



Implementation Timeline

The proposed timeline for building the UCED corresponds with the build-out of the Urban Outreach Center at the Plymouth Avenue and Penn Avenue intersection in north Minneapolis. Space for UCED is expected to be available in the summer of 2008.

Business Plan Development
 Hire UCED Manager
 Complete Facility Design
 Complete Construction
 Raise Funds
 Build Board of Directors
 Build Web Site
 Conduct Marketing & Sales
 Recruit Incubator Clients
 First two businesses
 Add two additional businesses
 Add two additional businesses
 Open UCED
 Solicit North Minneapolis Small Businesses and
 Nonprofits to utilize management & technical
 consulting services
 Develop On-Campus Job Posting Capabilities
 Develop & Build Youth Entrepreneurship Program
 Hire UCED staff



Financial Summary

The UCED has outlined the following financial projections for business operations.

< financial pro forma >

Many positive or detrimental activities can improve or weaken the financial case for the UCED. Within this plan, a few key components of the plan have greater impact to the financial case than others. The key areas for financial consideration include:

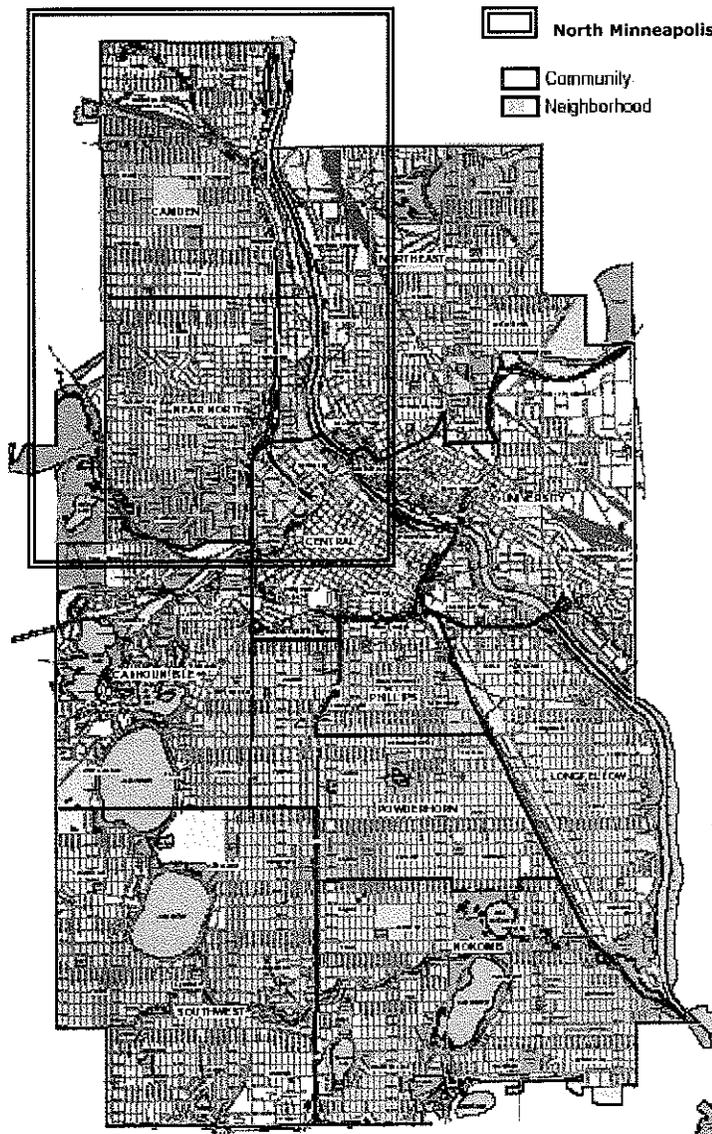
- Increased/decreased demand for service
- Increases/decreases in financial support
- Elimination of University of Minnesota rental charges to UCED

If the UCED has difficulty in raising funds or managing demand, services can be deferred or scaled back services until such time that funding becomes available.

Industry Analysis

Geographic Location and Client Overview

North Minneapolis or “Northside” is comprised of over 67,000 residents within fifteen distinct neighborhoods. In 2006, an assessment of north Minneapolis’ assets and indicators was completed by OBCED.¹ The full report is available upon request; however, summaries of the demographic data and trends are included here.



The latest census data (2000) limits the results of the study in its consideration of impacts from exogenous factors that may affect the Northside’s economic climate. For example, statistical growth in employment among women has resulted from policy reform may mask the unintended consequences of added household and community stresses. Changes (increases) in home ownership sub-prime lending practices also influence the results. Factors such as these stretch beyond the economic considerations in this profile but do impact household decisions.

Residents

North Minneapolis or “Northside” is comprised of over 67,000 residents within fifteen distinct neighborhoods. Between 1990 and 2000, the area saw an increase in Black/African American, Hispanic/Latino, and Asian populations and a decline in the Caucasian population.

¹ “North Minneapolis Asset Mapping and Indicators for 2006,” The University of Minnesota Office for Business and Community Economic Development, September 2006

A demographic breakdown by race as of 2000 includes:

- 41% Black or African American
- 34% Caucasian
- 14% Asian
- 6% Two or More Races
- 4% Hispanic or Latino
- 1% American Indian/Alaska Native

Fourteen percent of north Minneapolis' population is foreign born.

Foreign Born Residents, 2000		
Place of Birth	Population	Percent of all residents
Asia	6,088	9%
Asia: Laos	4,063	6%
Africa	1,550	2%
Latin America	1,558	2%
Total Foreign born population	9,598	14%
North Minneapolis Population	67,629	

Source: Census 2000 Summary File 3 (SF 3) - Sample Data

By gender, 52% of the population is female.

Education Levels

Education levels across ethnic groups tend to be comparative with the rest of Minneapolis. Education attainments for individuals over the age of 25 include:

- 10% Less than 9th grade schooling (comprised mostly of blacks and whites)
- 16% 9th – 12th Grade Schooling – No Diploma
- 30% High School Graduate
- 23% Some Post-Secondary Schooling
- 6% Associates Degree
- 11% Bachelor Degree
- 4% Graduate or Higher Degree

Employment

The Northside labor force, per the 2000 census, is 28,600. Most of the Northside labor force works within the following sectors:

North Minneapolis Workforce, 2000		
	Number Employed	% of Total Workforce
Manufacturing	4,393	18%
Health care and social assistance	3,141	13%
Educational services	1,891	8%
Construction	899	4%
Self-employment		4%
Wholesale trade	844	3%
Other private sector services	1,338	5%

Data Set: Census 2000 Summary File 3 (SF 3)

North Minneapolis has had a disproportionate amount of unemployment, reflective of the distressed economic conditions of the area. The rate of unemployment for north Minneapolis in 2000 was 10% as compared to an overall rate of 3% for the City of Minneapolis during the same time period.

Differences exist by gender in several occupations. A notable community strength is the strong representation of women in professional occupations such as management, business, finance, legal, education and healthcare. Men tend to be heavily employed in construction, maintenance and repair, transportation and material handling services.

Earnings

Seventy percent of north Minneapolis workers earn less than \$50,000, according to the 2000 U.S. Census. In 2000, the mean household income on the Northside was \$42,270 compared to the metro median household income of \$54,300. Of nearly 18,000 households that reported earnings in 1999, 17% received public assistance as a component of household income. 24.5% of Northside households received Social Security.

One noted positive trend is the increased occurrence of high-earning households from 1990 to 2000. Previously, only 2.4% of Northside households earned in excess of \$75,000, improving to 12% in 2000.

Purchasing Power

In spite of lower incomes and limited accessibility relative to Hennepin County, the Northside exhibits a higher relative spending rate per square mile in the key consumption categories of Food at Home, Personal Products, and Non-prescription Drugs and Supplies. This suggests that there may be adequate spending to support commercial investment that brings grocers and convenience retailers to serve these local needs. Consider, on the other hand, lower-rated spending categories: Home Repair, Household Equipment, Household Textiles and Furniture range from 18% to 23% below Hennepin County's respective categorical share. This may provide a preliminary indication of diminished spending rates among Northsiders in the upkeep and enhancement of residential property.

The comparison of purchasing power in Northside neighborhoods to Hennepin County in general may be a spurious correlation, but it provides some basic insight into the concentration of consumer spending and its potential effects as a driver of retail demand. Subsequent studies might further the understanding of purchasing power by comparing north Minneapolis neighborhoods to other metropolitan areas with communities of a similar socio-economic disposition.

Economic Climate and Cluster Analysis

Regional economies are driven by the clustering of industries which leads to the creation of relatively high-paying jobs. Clustering generally taps into the natural resources of the region and leverages innovation to create world-class environments. Minnesota's primary clusters are within the areas of agriculture, medical technology and healthcare, and information technology. To a smaller extent there are clusters in the service and retail industries.

Quick Facts, 2002-2004

- + 675 establishments are located in north Minneapolis
- + In select industries, economic growth in north Minneapolis is outpacing that of Minneapolis as a whole
- + 232 jobs created in skilled labor industries
- + Loss of establishments to greater metropolitan area
- + National declines in manufacturing especially difficult for north Minneapolis

Clusters are generally identified for a large regional area. Therefore, there has been no attempt to identify clustering in an area as small as north Minneapolis. However, we have been able to identify key industries in employment.

Employment Analysis by Industry

North Minneapolis has a broad economic base with a significant number of establishments and jobs in the areas of manufacturing, healthcare and social assistance, wholesale trade, and construction.

Industry Description	Total Employment
Manufacturing	2,373
Health care and social assistance	1,653
Wholesale trade	1,364
Construction	1,161
Retail	782
Total in All Industries	10,767

Source: US Census Bureau, County, Zip-code and Metro Business Patterns
 Note: includes firms only within zip-codes 55411 and 55412 (Olson Memorial Hwy to 49th Ave No)

In select industries, employment growth in north Minneapolis is out pacing the rest of Minneapolis (education, professional services, and administrative support).

North Minneapolis Industries with Greatest Employment Gains by Percent Change, 2002-2004

Industry Description	Total Employment in 2004	Actual/Pct Change 2002-2004
Educational services	303	99 (49%)
Professional, scientific & technical services	382	74 (24%)
Administration and support, waste management	492	59 (13%)

Source: US Census Bureau, County, Zip-code and Metro Business Patterns
 Note: includes establishments only within zip-codes 55411 and 55412 (Olson Memorial Hwy to 49th Ave No)

While manufacturing, healthcare and social assistance, wholesale trade, and construction are the largest employment sectors in north Minneapolis, many of these same industries outpaced the rest of the metropolitan area in the rate of job loss. Some of these industries are transportation, warehousing, wholesale trade, manufacturing and healthcare and social assistance. In short, north Minneapolis did not capture its share of the employment gains.

Employment Analysis by Industry by Location Quotient (LQ)

Another means to evaluate north Minneapolis' industry concentration is to assess the employment shares of an industry with the larger regional area. A location quotient (LQ) is used to determine a local region's degree of self-sufficiency in a given industry. In general, the location quotient is used to suggest whether an industry's goods or services are being exported or imported within a region. Exporting industries usually produce more than enough goods and services to satisfy local demands. Any additional amount produced will then be exported to non-local regions. Importing industries usually do not produce sufficient goods or services to meet local demand, thus additional goods and services need to be imported into its region to meet the local market demands.

An LQ greater than one (1.0) means the industry makes up a larger proportion of total employment than it does in other areas, thus identifying potential for clustering. Extra employment in the industry is interpreted to be a result of the industry serving markets beyond its own area.

The geographical units used in this analysis were selected based on the University Center for Economic Development strategy of connecting north Minneapolis businesses to the regional economy.

North Minneapolis Clusters by Employment, 2004

Industry Description	Employment 2004	LQ
Construction	1,161	2.1
Wholesale trade	1,364	2.0
Manufacturing	2,373	1.8
Other private sector services	764	1.5
Educational services	303	1.3
Health care and social assistance	1,653	1.2

Source: US Census Bureau: County, Zip-code and Metro Business Patterns
 (<http://censtats.census.gov/cbpnaic/cbpnaic.shtml>)

Notes: *Defined as zip codes 55411 and 55412

Target Market

The business and economic development strategies of the University Center for Economic Development (UCED) must be firmly based in the community and economic context of north Minneapolis if it is to maximize opportunities for positive change. This section explains the logic for an UCED business assistance program that targets established firms and identifies new business opportunities to serve regional markets.

A number of variables are used to determine what businesses and business services should be targeted for north Minneapolis. Based on economic conditions, existing services available to north Minneapolis businesses, the University of Minnesota’s organizational strengths and the goals of the UCED, it is recommended healthcare, educational services, construction, and nonprofits sectors be targeted with special emphasis on business creation opportunities in the healthcare sector. Assistance to these sectors will not only accomplish a stabilization of key north Minneapolis employment sectors but also reinforce and potentially expand existing industry clusters.

While any business in north Minneapolis is encouraged to seek help with UCED’s Management and Technical Consulting services, UCED will target healthcare businesses to participate in its Business Incubator.

The healthcare sector is of particular interest for the UCED for the following reasons:

- Within the metropolitan area, employment in the healthcare sector grew at a rate of six percent between 2002 and 2004. During this time, over 12,000 new establishments were created in the healthcare and social assistance industry.
- The healthcare sector has a strong presence in north Minneapolis despite a ten percent employment decline between 2002 and 2004.
- The healthcare sector has a LQ ratio of 1.2 which means that there is a cluster in and around north Minneapolis. This sector can be built upon for greater economic impact.
- The University of Minnesota’s healthcare programs, research and intellectual assets help to shape the overall industry.
- The regional clustering of healthcare in the Twin Cities ensures that skilled resources are available to build capacity.

To support north Minneapolis in economic development, the UCED proposes services in the following broad categories for small businesses: a) for profit and nonprofits business and technical management

consulting, b) business incubator, c) trade skills and University jobs initiative, d) youth entrepreneurship initiatives. Proposed services are discussed later in this document.

Competitor Analysis

The University Center for Economic Development has recognized a number of existing organizations as key competitors in service areas of a) for profit and nonprofits business and technical management consulting, b) business incubator, c) trade skills and University jobs initiative, d) youth entrepreneurship initiatives. Few offer a comprehensive set of services as envisioned by the University of Minnesota.

The term “competitor” is used to describe those organizations which offer similar services, compete for clients and/or compete for funding support. Many of the competitors are Federal/State funded programs and Community Development Centers. At some point, the University of Minnesota may partner with these organizations to build capacity.

The research conducted by the Office for Business & Community Economic Development indicates that regardless of the number of competitors currently in the market, there remain unfulfilled needs to serve Minneapolis’ Northside in business and economic growth.

In comparison with its competitors, the University of Minnesota’s Office of Business and Community Economic Development is in a unique position to offer economic development services to businesses and residents of north Minneapolis for several reasons.

- 1) As a land-grant university, the University’s mission is to teach/learn, conduct research and discover, and serve as a partner for the public good
- 2) The University is able to offer entrepreneurs access to intellectual property, research capabilities, and technology transfer
- 3) The University is able to bring forward the talents and capabilities of faculty and students
- 4) The Office of Business and Community Economic Development already offers the proposed array of economic development services and is extending a concentration into the north Minneapolis area.

The following spreadsheet outlines competitors and their capabilities. More detailed information can be found in the Appendix.

Competitor Comparisons

Organization	Target Market	Small Biz Mgmt & Tech Assist	Nonprofit Mgmt & Tech Assist	Core Services Business Incubator	Trade Skills & Job Initiatives	Youth Entrepreneurship Initiative
American Indian Neighborhood Development Corporation	American Indian businesses	X		X		
Junior Achievement	Youth Entrepreneur Program implemented into school’s curriculum					X
Management Assistance Program for Nonprofits (MAP for Nonprofits)	Minnesota-based nonprofits		X			

Organization	Target Market	Core Services				
		Small Biz Mgmt & Tech Assist	Nonprofit Mgmt & Tech Assist	Business Incubator	Trade Skills & Job Initiatives	Youth Entrepreneurship Initiative
Metropolitan Economic Development Association (MEDA)	Ethnic minority businesses	X			X	
Minneapolis Consortium of Community Development (MCCD)	Targeted neighborhoods. Economic development, small business loans, housing development	X				
Minnesota SCORE (Service Corp of Retired Executives)	Small businesses meeting SBA qualifications	X				
Minnesota Technical Assistance Program (MnTAP)	Technical Assistance for pollution prevention, maximize resources and reduce energy usage and related costs	X				
Minnesota Technology Inc. (MTI)	Manufacturing companies, and business services markets	X				
Neighborhood Development Center (NDC)	Inner-city small businesses in targeted Mpls and St. Paul neighborhoods	X		X		
Phillip's Community Development Corporation	PCDC operates two major programs. The Phillips Job Bank assists residents in obtaining meaningful jobs. The Phillips Economic Development Program develops a network of community-based businesses to build the local economic base.	X			X	
Small Business Development Center (Sponsored by SBA and DEED) (University of St. Thomas holds metro contract)	Small Businesses as defined by Federal government (< 20 FT employees or < \$1M revenue)	X				
U.S. Small Business Administration	The SBA offers free counseling and technical assistance, pre-business and business planning workshops, and information on starting and managing a small business are offered through SCORE, Small Business Development Centers (SBDC), and Women's Business Centers (WBC's).	X (+Loans)			X	
University Center for Economic Development (UofM Proposed)	North Minneapolis small businesses and residents	X	X	X	X	X
University Enterprise Laboratories (UofM)	UEL began operations in 2005 to create an entrepreneurial environment for early stage bioscience companies. The UEL is a collaborative research center providing lab and office space particularly in industries which rely on biosciences including agriculture, health care, medical devices and equipment, and pharmaceuticals.	X		X		
Urban Initiative Program (DEED) (operated by nonprofits)	Minority-owned Businesses in specified communities	X (+Loans)				

Organization	Target Market	Small Biz Mgmt & Tech Assist	Nonprofit Mgmt & Tech Assist	Core Services Business Incubator	Trade Skills & Job Initiatives	Youth Entrepreneur- ship Initiative
Whittier Community Development Corporation	Whittier CDC works collaboratively with other nonprofit organizations to spur private investment and support for small business development.	X (+Loans)		X Retail Space purchases		
Woman Venture	Women (and men) launching careers in traditional and non-traditional areas	X			X	

Collaborators / Partners

The Office for Business & Community Economic Development has formed strong partnerships with for-profit and nonprofit organizations. As the OBCED further develops the University Center for Economic Development, the OBCED expects to extend the relationships with these partners and add new partners.

Minnesota Minority Supplier Development Council (MMSDC)

Established in 1975 by corporate and minority small businesses, the MMSDC works to link corporate America and minority owned businesses through vendor procurement processes. Originally cultivated and fostered by the Metropolitan Economic Development Association (MEDA), the MMSDC branched off as an independent organization in 2004. The MMSDC is one of the 39 regional councils of the National Minority Supplier Development Council (NMSDC) focused on supporting a free enterprise system throughout the states of Minnesota, North Dakota, and South Dakota.

The MMSDC offers supplier certifications, networking programs, council services (e.g. group benefit coverage), and information to connect corporations with minority owned businesses on a local, regional and national bases.

As part of the University of Minnesota's supplier diversity services, both in construction and purchasing, the University has been an active member of MMSDC. In 2007, a collaborative between the OBCED, the Carlson School of Management and the MMSDC developed an educational program specifically targeted at minority and women owned businesses in the region. The program is a comprehensive three day session aimed at improving the overall leadership and business capabilities of the MMSDC minority business enterprise constituency. Topics covered include leadership, managerial accounting and negotiations.

Comcast (formerly Time Warner Cable)

I. Small Business Management Assistance

Comcast has provided OBCED with funding for small business management assistance / consulting services, which leverages the intellectual property, technology, and research capability of the University. Each year, thirty to forty small businesses are served through these funds.

II. Comcast Scholarship

The Office for Business & Community Economic Development is pleased to participate in the Comcast Scholarship program. Through this program, \$15,000 in scholarships are awarded each year (five scholarships at \$3,000 per year) through the School of Journalism and Mass Communications. Scholarships will be available during the life of the contract between Comcast and the University of Minnesota (ten years) beginning in 2001

OBCED and the School of Journalism and Mass Communications at the University of Minnesota distribute materials and administer the scholarship. Criteria for consideration include:

- Contribution to diversity
- Academic achievement
- Demonstrated leadership and community involvement
- Communications majors
- Must be a junior or senior in a communications program at the University of Minnesota

III. Comcast Internship Information

Through the Office for Business & Community Economic Development, Comcast provides internship opportunities to three University of Minnesota students each summer. The internships are available to both graduate and undergraduate students from any of the University of Minnesota campuses. In the spring of each year, Comcast identifies the areas for the internships and specifies the requirements for the positions. The opportunities are advertised through a variety of methods including campus job posting sites and minority student organization websites. Students apply for the internships on-line. Comcast receives all résumés and interviews and hires the students. Members of underrepresented communities are encouraged to apply.

IBM

IBM has partnered with OBCED to create an upscale training lab to help serve the technology needs and interests of small businesses and nonprofits. The IBM Training Lab offers ten fully networked computers with high speed Internet connections and one instructor station with computer and projection capabilities. Course offerings include database management, graphics, presentation development via PowerPoint, word processing, website development, and accounting / finance applications.

University of Minnesota Colleges

OBCED works with the graduate students and faculty of the following schools to provide assistance to small business and nonprofits:

- Carlson School of Management
- Humphrey Institute of Public Affairs
- Law School

Moving forward, OBCED also expects to bring in the tools and talents the Medical School

Products & Services

The purpose of the University Center for Economic Development is three-fold:

1. To serve as a hub for economic revitalization, a catalyst for the Triple Bottom Line Initiative (people, planet, profit) and to connect North Minneapolis to the regional economy
2. To promote economic growth and expansion, innovation and increased productivity in the neighborhoods of North Minneapolis
3. To serve as a gathering place for education and networking, and as a laboratory for innovation, technology transfer and research

The University Center for Economic Development plans to deploy a narrow focused, differentiation model with the intent to first, assist an underserved market of business entrepreneurs and small businesses and second, to offer capabilities and services unavailable via alternative providers. In particular, the University Center for Economic Development will be leveraging the University of Minnesota's intellectual property, research capabilities, technology transfer and institutional resources (faculty and graduate students, executive training programs, library, etc)

The focused, differentiation strategy allows the Office for Business & Community Economic Development to further develop core competencies for the distinct benefit of UCED clients. This section outlines the strategic direction of OBCED and subsequently defines the specific products and services to be offered via the University Center for Economic Development in North Minneapolis.

Resources, Capabilities and Core Competencies

By definition, *resources* are the organization's specific assets useful in creating a competitive advantage. Resources can be comprised of tangible or intangible items. *Capabilities* refer to the University's ability to utilize its resources effectively. Capabilities are embedded into the routine of the organization. A *core competency* is a key area of expertise which distinguishes the organization from any other, and the competency is critical to the long-term growth of the organization. Core competencies are the fundamental knowledge, ability, process, or expertise in a specific subject area or skill set which ultimately adds value to the services offered by the firm and achieves an advantage over other organizations. Core competencies are the source of competitive advantage which enables the OBCED to introduce an array of new products and services.

The Office for Business & Community Economic Development has defined the following resources, capabilities and competencies instrumental to the success of the University Center for Economic Development.

Office of Business & Community Economic Development Resources, Capabilities and Competencies

The Office of Business & Community Economic Development's strategic direction is to continue to expand its services in enabling new entrepreneurial small businesses, and nonprofits while leveraging the University of Minnesota's unique assets. The Office of Business and Community Economic Development effectively utilizes the following resources, capabilities and competencies, which enable it to offer strategic services in ways that few others can. For example, key assets include:

Resources

- UMN brand name
- OBCED staff skilled in small business development
- UMN staff, faculty, students available for consultations
- Skilled instructors and training lab. Online training capabilities
- Corporate and community partnerships
- UMN research
- UMN intellectual property
- UMN research capabilities
- UMN technological transfer
- Institutional resources, including but not limited to: library, UMN Enterprise Laboratory (incubator), highly ranked business school, etc.

Capabilities

- Relationship building
- Business development, emphasis on small businesses
- Serve as an intermediary with students, faculty and organizations
- Connections with external community
- Cultural and diversity management
- Student development
- Vendor management

Competencies

- Economic development
 - Working with businesses
 - Capacity building
 - Technology training
 - Workforce development
 - Job creation
 - Business development
- Small Business and Nonprofit Development Assistance
- Relationship development and management
- MBE purchasing and best practices is supplier diversity
- Capacity building
- Education
- Community partnerships/ collaborations

Recognizing these assets, the Office of Business and Community Economic Development acknowledges its core competencies and services as outlined below.

Core Competencies

Small Business Development
 Supplier Diversity
 Collaboration and Relationship Building
 Training and Education

Emerging Core Competency
 Business Incubation

Core Services



- Referral to UMN Assets
- I&R to Community Assets
- Networking / Connections



- Business/Nonprofit Needs Assessment
- Management Consulting for Small Businesses
- Management Consulting for Nonprofits
- Small Business Forums



- Construction Opportunity Development
- Purchasing Opportunity Development
- How to Do Business with the UMN
- Expos
- Networking



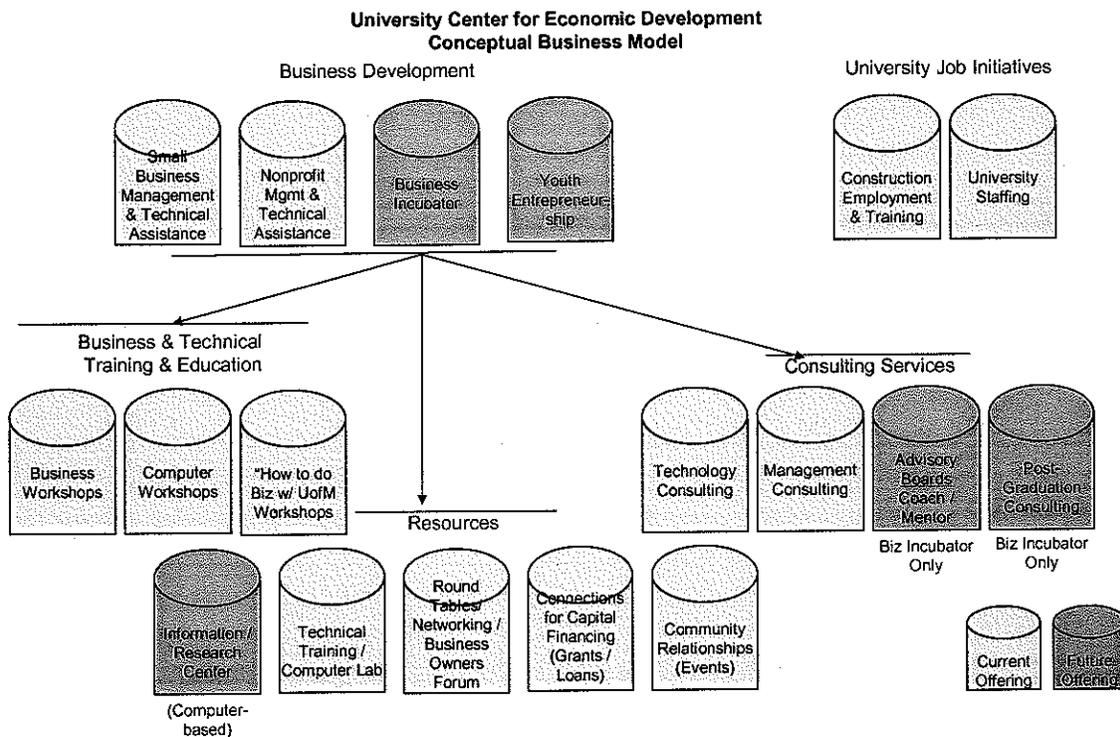
- Classroom Computer Training
- Online Training
- Construction Employment & Training
- Leadership Training
- Workshops

University Center for Economic Development Services

In May 2006, Grayhall, a communications, research, and management firm conducted a series of focus groups and surveys with north Minneapolis residents. Respondents were able to identify categories of activities they believe will benefit the community. The following table represents favorable responses:

Economic Development	75%
Educational Programs in Community	75%
Jobs at University of Minnesota	42%

This information, combined with the strengths of the Office of Business and Community Economic Development encouraged the University of Minnesota to expand its services beyond its current capabilities. OBCED envisions the following environment within the University Center for Economic Development:



01/31/07

The University Center for Economic Development will be comprised of five primary services:

1. Small Business Management & Technical Assistance
2. Nonprofit Management & Technical Assistance
3. Business Incubator for New Start-ups
4. Youth Entrepreneurship Program
5. University Job Initiatives

These five initiatives are supported through the following resources and capabilities of the University of Minnesota

1. Business & Technical Training and Education
2. Consulting Services
3. University Resources

Descriptions of the services offered at the University Center for Economic Development are provided here.

Small Business Management & Technical Assistance

The Small Business Management & Technical Assistance will provide business consulting and technical assistant services. This service is already offered too many small businesses via the Management Assistance Program for Small Businesses (MAP) which leverages the intellectual property, technology and research capabilities of the Carlson School of Management, HHH Institute of Public Policy, Institute of Technology and the Law School. Graduate students and faculty from these schools provide management and technical consulting services in areas such as strategic planning, market research and analysis, feasibility studies, human resources management, marketing, business plan development, finance and accounting, operations management, and information technology development. At the UCED, this program will focus on helping north Minneapolis small businesses and micro-enterprises build capacity and improve profitability.

Nonprofit Management & Technical Assistance

The Nonprofit Management & Technical Assistance services will work with Northside nonprofits to build capacity and enhance their performance and effectiveness through three primary service components: convening, technical assistance, and executive leadership development. The convening component includes symposiums, seminars, and/or conferences that focus on topics such as best practices, nonprofit politics and funding, and team building. The technical assistance component will use Carlson School of Management and Humphrey Institute of Public Affairs students and faculty to provide management and technical assistance in areas such as finance, marketing, strategic planning, human resource administration, program development, research, and technology. The leadership component will provide training and development for board members, nonprofit executives, and key employees of these organizations. Similar services are offered to regional nonprofits through the OBCED's Management & Technical Assistance Program for Nonprofits (MTAP).

Business Incubator and Post Graduation Consulting Services

The University Center for Economic Development will house a Business Incubator for start-up and small businesses, preferably with a focus in the Healthcare sector. These businesses will be provided with the basic tools, structure and guidance necessary to maximize the firm's chances for success and growth. The UCED will follow the entrepreneurial business after graduation via its proposed Post Graduation Consulting services. The emphasis for the post-graduation services is to ensure the ongoing success of the business after commercialization. Some of the proposed services of the business incubator are as follows:

- Office and storage space for up to four years.
- Access to the Center's professional business counseling services, including operations, manufacturing, engineering, technology exchange and development, personnel administration, marketing, sales, merchandising, finance, accounting,

business strategy development, and other disciplines required for small business growth, expansion, and innovation.

- Use of the business assistance center including a training center, reference library and conference rooms.
- Office services including receptionist, mail service, telephone, networked systems, copy/fax/print facilities, etc.

A further discussion of the business incubator is found in the Operations Plan. The criteria for selection of business incubator tenants is also reviewed within the Operations Plan.

Youth Entrepreneurship Program

This program will provide a business platform for high school students who are interested in exploring the world of entrepreneurship. Students will be provided scholarly assistance and the necessary business resources/tools to develop business concepts, experiment with inventions, or pursue product development ideas.

University Job Initiatives

As part of a land grant education center, the University of Minnesota will continue to build its job initiative efforts towards small businesses. The OBCED has a rich history of connecting small businesses with the University of Minnesota for construction and purchasing initiatives. The following programs will continue under the OBCED but will expand its outreach to Northside residents and Northside small business owners through the University Center of Economic Development.

Construction Employment & Training

The central goal of this program is to provide entry-level positions for community residents interested in working in the construction trades industry. This program works to inform, recruit and place residents on University construction projects. The University will partner with local school districts, community based organizations, general contractors and unions to provide employment referral and job placement services.

University Staffing

The central goal of this program is to further expand notifications of University of Minnesota staff openings to the Northside Community. In addition, the University Center for Economic Development will strive to work with vendors to post on-campus jobs (e.g. food services, bus drivers, temporary jobs, etc.)

University Resources

The following University of Minnesota assets will be made available to Northside residents, micro-enterprises, small businesses and tenants of the business incubator, as needed for their specific needs.

Business & Technical Training & Education

- *Business Workshops*
Workshops will focus on business topics and executive leadership series.
- *Computer Workshops*
Workshop topics include accounting and finance applications, database management, graphic tools, presentation tools, word processing and website development.
- *"How to do Business with the University of Minnesota"*

UCED will work with Northside small businesses and nonprofits to explain the process for doing business with the University of Minnesota.

Consulting Services

- *Management Consulting*
Management consulting is inclusive but not limited to business plan development, feasibility studies, market research, financial management, strategic planning, etc. Consulting services are provided by graduate students or faculty.
- *Technology Consulting*
Technology consulting will expand beyond the computer training available by providing one-to-one consulting services in website planning and development, developing networks and related architectures, selecting platforms and business applications, etc
- *Business Incubator Advisory Board/Coach/Mentor (Incubator tenants only)*
An entrepreneur increases their odds by having the correct resources available to them. Each entrepreneurial business in the incubator will have access to an advisory board, who will function similarly to a Board of Directors for the duration of the start-up. In addition, each entrepreneur will be provided a coach/mentor. The volunteers may be faculty members, alumni, seasoned entrepreneurs, financial advisors, lawyers, and/or corporate executives.
- *Business Incubator Post Graduation Consulting (Incubator tenants only)*
Entrepreneurs face additional challenges as they graduate from the Incubator. UCED will offer continuing consulting services and access to UCED resources (identified below)

Resources

- *Information / Research Center*
The Information / Research Center is a central place for small business owners located in north Minneapolis to obtain information to operate their business. Reference books, online research tools and completed research projects (completed by students and faculty) will be available.
- *Technical Training / Computer Lab*
Use of the computer lab and access to training courses identified above will be extended to Northside residents.
- *Round Tables / Networking / Business Owners Forum*
UCED will offer open forums for business owners to meet, network and discuss common challenges.
- *Connections for Capital Financing*
UCED will connect small business owners who need funding with banks, venture capitalists, grants, etc.
- *Community Relations / Community Events*
Community events will range from guest speakers to showcase events in order to draw the community together.

Marketing and Public Relations Plan

The University Center for Economic Development will be targeting six primary constituencies. They include:

- North Minneapolis residents, businesses and nonprofits as part of community building
- Entrepreneurs throughout the Twin Cities interested in locating within north Minneapolis
- North Minneapolis micro-enterprises, small businesses and nonprofits seeking assistance in building capacity
- North Minneapolis residents seeking jobs at the University of Minnesota
- North Minneapolis youth interested in exploring the world of entrepreneurship
- University of Minnesota graduate students interested in gaining practical experience while supporting the UCED mission in economic development
- Volunteer successful entrepreneurs, business executives, faculty, financial advisors, and lawyers to serve as coaches/mentors for new entrepreneurs and to participate on an advisory board of an entrepreneurial business

The following spreadsheet outlines a broad-based marketing and public relations plan which will focus on increasing participation of Northside businesses:

- Referrals of potential clients
- Recruitment of potential clients
- Training and education

In addition, The University Center for Economic Development will expand messages to

- Develop community relations; Create awareness and 'buzz' of all services to north Minneapolis residents
- Seek volunteer mentors and advisory board members to assist tenants of the business incubator

Marketing & Public Relations Plan

Audience	Message/Revenue Focus	Strategies	Potential Avenues
<p>North Minneapolis Community (residents, businesses and nonprofits)</p>	<p><i>Awareness</i></p>	<p>UCED Web Site Media <ul style="list-style-type: none"> Community Newspapers Articles & Press Releases Community Newspaper Inserts Community Events (including a Grand Opening) Marketing Material Public Speaking / Seminars</p>	<p>Community Newspapers <ul style="list-style-type: none"> Insight One Nation News North News LaPrensa Hmong Times Spokesman Recorder Radio <ul style="list-style-type: none"> KMUJ KBEM KFAI MPR </p>
<p>Entrepreneurs throughout the Twin Cities interested in locating within north Minneapolis</p>	<p><i>Business & Technical Training and Education Services</i></p> <p><i>Youth Entrepreneurship Program</i></p> <p>Direct Recruitment of Potential <i>Business Incubator Tenants</i></p>	<p>UCED Web Site Media Community Events Marketing Material Community Relationships</p> <p>UCED Web Site Media Community Events Marketing Material Community Relationships</p> <p>UCED Web Site Media <ul style="list-style-type: none"> Community Newspapers Articles & Press Releases Community Newspaper Inserts Radio Community Events Marketing Material Public Speaking / Seminars</p>	<p>Schools <ul style="list-style-type: none"> City of Minneapolis Summer Programs Faith-Based Organizations </p>

Audience	Message/Revenue Focus	Strategies	Potential Avenues
	Referrals of Potential <i>Business Incubator Tenants</i>	Community Relationships Marketing Material	<ul style="list-style-type: none"> • Banks • Students/Faculty • Alumni Association • MMSDC • Chambers of Commerce • Clubs / Organizations (e.g. Rotary Club) • Other Small Business Assistance Program (e.g. SCORE, NRRRC, WomenVenture)
North Minneapolis micro- enterprises, small businesses and nonprofits seeking assistance in building capacity	<i>Business & Technical Training and Education Services</i>	UCED Web Site Built into Program	
	Direct Recruitment of Potential <i>Small Business and Technical Assistance</i> Clients	UCED Web Site Media Community Events Marketing Material	
	Referrals of Potential <i>Small Business and Technical Assistance</i> Clients	Community Relationships Marketing Material	<ul style="list-style-type: none"> • Banks • Students/Faculty • Alumni Association • MMSDC • Chambers of Commerce • Clubs / Organizations (e.g. Rotary Club) • Faith-based Organizations
	Direct Recruitment of Potential <i>Nonprofit Business and Technical Assistance</i> Clients	UCED Web Site Media Community Events Marketing Material	
	Referrals of Potential <i>Nonprofit Business and Technical Assistance</i> Clients	Community Relationships Marketing Material	<ul style="list-style-type: none"> • Banks • MN Council of Nonprofits • Foundations
	<i>Business & Technical Training and Education Services</i>	UCED Web Site Media Community Events Marketing Material	

Audience	Message/Revenue Focus	Strategies	Potential Avenues
North Minneapolis residents seeking jobs at the University of Minnesota	<i>Awareness</i>	UCED Web Site Media Community Events Marketing Material	
<i>Business & Technical Training and Education</i>	<i>Youth Entrepreneurship Program</i>	UCED Web Site Media Community Events Marketing Material Community Relationships	<ul style="list-style-type: none"> • Schools • City of Minneapolis Summer Programs • Faith-Based Organizations
University of Minnesota graduate students interested in gaining practical experience	Recruitment and Referrals for graduate students to participate in <i>Small Business and Technical Assistance</i> and <i>Nouprofit Business and Technical Assistance</i>	UCED/OBCED Web Site Relationships with Targeted Colleges (Deans, Faculty, Advisors) Student Relationships Marketing Material	<ul style="list-style-type: none"> • Relationships with Targeted Colleges (Deans, Faculty, Advisors) <ul style="list-style-type: none"> • Carlson School of Management • HHH Institute of Public Policy • Information Technology • Law School • Medical School • Applied Economics • Advertisements on Targeted Colleges Websites, Recruitment Offices and Bulletin Boards • On-Campus Events at Targeted Colleges
Volunteer entrepreneurs, business executives, faculty, and lawyers	Recruitment and Referrals for <i>Volunteer coaches/mentors for business incubator tenants</i>	UCED Web Site Media Community Events Marketing Material Community Relationships	<ul style="list-style-type: none"> • Banks • Students/Faculty • Alumni Association • Lawyers • MMSDC • Chambers of Commerce • Clubs / Organizations (e.g. Rotary Club) • Faith-based Organizations

Audience	Message/Revenue Focus	Strategies	Potential Avenues
	Recruitment and Referrals for <i>Volunteer members of Advisory Board supporting business incubator tenants</i>	UCED Web Site Media Community Events Marketing Material Community Relationships	<ul style="list-style-type: none"> • Banks • Students/Faculty • Alumni Association • Lawyers • MMSDC • Chambers of Commerce • Clubs / Organizations (e.g. Rotary Club) • Faith-based Organizations

Operations Plan

The University Center of Economic Development has outlined the following service offerings (see Products and Services section):

- Small Business Management & Technical Assistance
- Nonprofit Management & Technical Assistance
- Business Incubator and Post Graduation Consulting Services
- Youth Entrepreneurship Program
- University Job Initiatives

University resources (intellectual property, research, technology transfer, and faculty) will be leveraged in each type of service.

Because the target audience varies by service, the operational requirements are outlined separately, below.

Small Business and Nonprofit Management & Technical Assistance Scope of Operations

Target Audience

North Minneapolis micro-enterprises and small businesses
North Minneapolis nonprofit organizations

Projections

Based on current experiences with the OBCED's Management Assistance Program (MAP) for small businesses and Management and Technical Assistance Program (MTAP) for nonprofits, the University Center for Economic Development foresees a demand increase year over year. MAP and MTAP requests for services have grown each semester since inception. During the 2006-2007 school year, an average of 15 projects were completed per semester. Likewise, the number of student applicants has increased from 10 per semester to an average of 60 per semester. The UCED anticipates accomplishing 5-10 projects per semester.

Fulfillment Approach

Small businesses and nonprofits will be invited to submit applications for management consulting services. Most project initiatives are expected to be approximately 50-65 hours of work.

At the same time, the OBCED will post available positions and outline opportunities with the various placement offices on campus. Graduate students are invited to submit resumes for open positions.

Client requests for services will be matched with graduate students or faculty with the appropriate skill sets. When matches are made, small businesses and nonprofits will be charged a small fee to represent commitment to working with students/faculty. Students and faculty will be paid a stipend for their efforts.

It is anticipated that student/faculty stipends will be paid from funds made available from a funding partner of the University of Minnesota.

Measures of Success/Performance Measures

The following performance measures will be utilized to measure achievements for Small Business and Nonprofit Management and Technical Assistance services:

- Number of Northside businesses requesting services
- Number of Northside nonprofits requesting services
- Number of students applying for positions
- Number of requests fulfilled (Number of students/faculty offering consulting services; Number of businesses and number of nonprofits served)
- Client satisfaction

Facility Requirements

There are no specific facility requirements. Students and faculty are encouraged to work with the client at their site. However, conference rooms at the University Center for Economic Development will be available for those requiring an environment to meet. (See UCED facility diagram below.)

Business Incubator and Post Graduation Scope of Operations

Target Audience

Business entrepreneurs willing to locate in North Minneapolis

The University Center of Economic Development will include a mixed-use Business Incubator with an emphasis on entrepreneurial and/or early-stage businesses which are part of or serve the health care industry. Businesses will be selected based on the potential for sustainability, substantial growth, and substantial job creation.

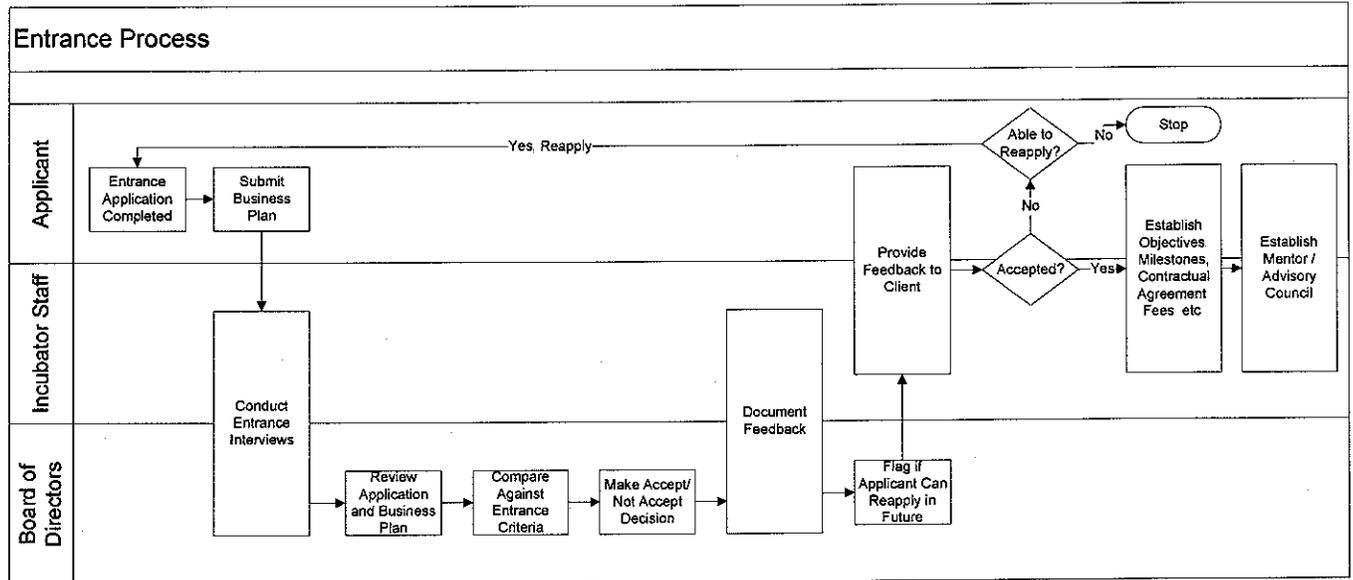
Projections

The business incubator space will be able to house five to six businesses ranging from one to five persons. UCED expects to reach an average of 85% occupancy rate after three years.

Fulfillment Approach

Acceptance Process

The following acceptance process will be leveraged for entry into the business incubator:



Acceptance Criteria

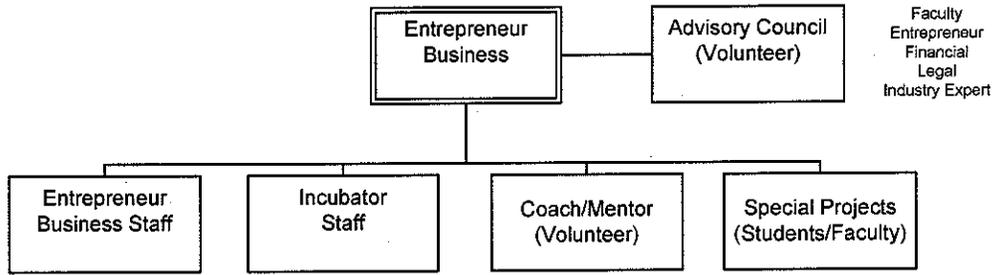
As demonstrated above, the Incubator Manager and Board of Directors will review and accept/reject candidate businesses. The following criteria will be used:

- Has a sound and viable business product or service idea
- Has a sound and viable business plan with evidence of market viability and reasonable financial projections
- Has the potential for sustainability, substantial growth, and substantial job creation
- Does not compete directly with other incubator clients
- Has sufficient cash to meet operational financial obligations (i.e. shows ability to pay rent and fees charged by the incubator)
- The candidate business is amenable to advice from the Center's business and technical advisors
- The candidate business agrees to work with advisors to set business development objectives and milestones which will be used to assess performance
- Has a plan to graduate within three to five years
- Commits to relocating in North Minneapolis for a period of five years post-graduation
- Is part of or will serve the medical industry
- Special considerations given to minority, women and/or disabled entrepreneurs.
- Special consideration given to North Minneapolis residents
- Feedback will be provided to all candidates. If designated, "Rejected" candidates will be able to apply a second time. Candidates also have the option of using other services offered via the Small Business Management and Technical Assistance Program.

Incubator Business Org structure

When a candidate is accepted into the program, the Center will match an experienced, volunteer entrepreneur to coach and mentor the business owner. In addition, an Advisory

Board, consisting of a mix of volunteer resources of business owners, financial/banking resources, lawyers, entrepreneurs, etc. based on the specific needs of the organization.



Client Monitoring

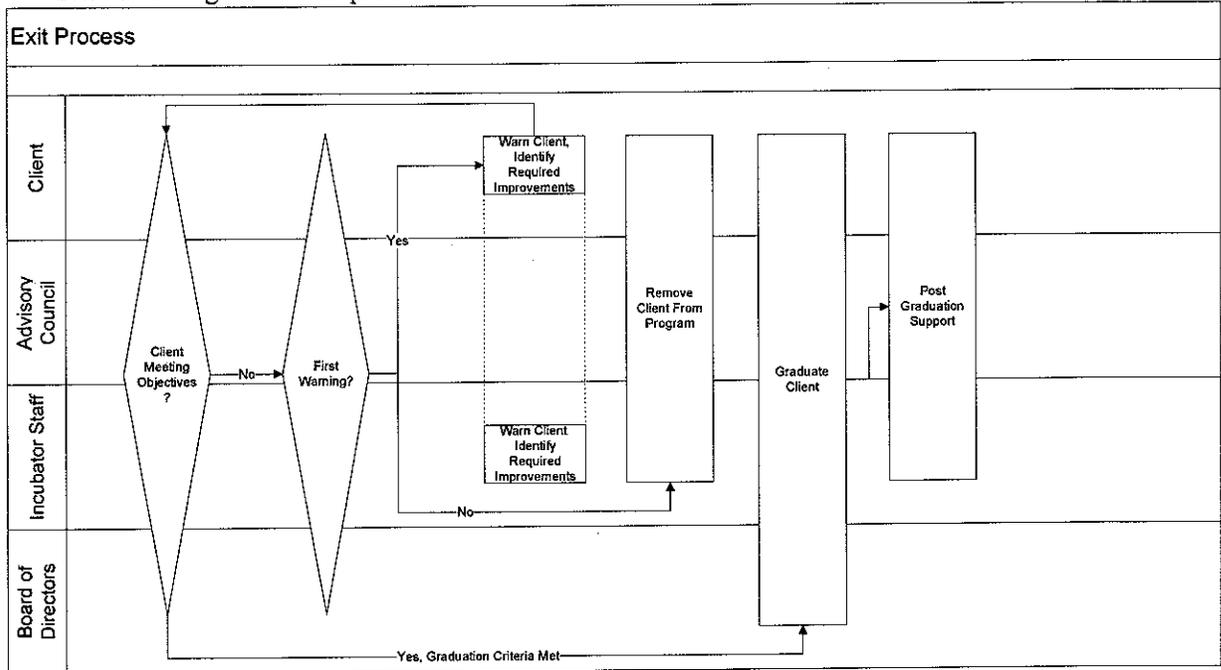
Incubator real estate and services are premium commodities for business start-ups. Once the incubator is well-established, many viable businesses will be competing for limited space. Therefore, the Center will be continually monitoring a business' progress.

Considerations

- Demonstrates continued progress towards self-sufficiency and graduation terms
- Continued ability to meet financial obligations (rents, fees, etc.)

Exit Process

The following client exit process will be used:



Graduation Criteria

The following graduation criteria will be used:

- The business reaches the maximum allowable stay in terms of time limit (approximately 3-5 years)
- The business has reached the maximum space allowed for any one given company
- The business exceeds a certain number of employees

- The business reaches sales and profitability to succeed outside the incubator; The business has revenue producing products or services
- The business no longer needs or uses the business assistance services (demonstrated signs of self-sufficiency)
- The business has acquired a certain level of financing
- The business has established a management team and board of directors
- The business has located a facility within North Minneapolis in which to continue operations

Post Graduation Support

Once a business has successfully graduated from the business incubator, additional services will be provided to the alumni, as they choose. Continued access to the UCED services will be offered to alumni for nominal fees, including: Access to the Center's library, networking functions, technical and business training, events, business management and technical consulting, etc.

Measures of Success/Performance Measures

The following performance measures will be utilized to measure achievements for the Business Incubator services:

- Occupancy levels:
 - Year 1: 33% (2 businesses)
 - Year 2: 67% (4 businesses)
 - Year 3: 80% (5-6 businesses)
 - Ongoing: 80%
- Reduction of dependency on University funding to ~20%
- Number of jobs created (directly by client, graduated client, and jobs created in the community as a result of the UCED's activity)
- Number of graduate companies
- Number of graduate companies which remain in North Minneapolis
- Total revenues of incubator clients
- Average income of incubator client/graduate employees
- Number of students/faculty consulting with incubator clients
- Number of business volunteers as a measure of community mobilization
- Client satisfaction

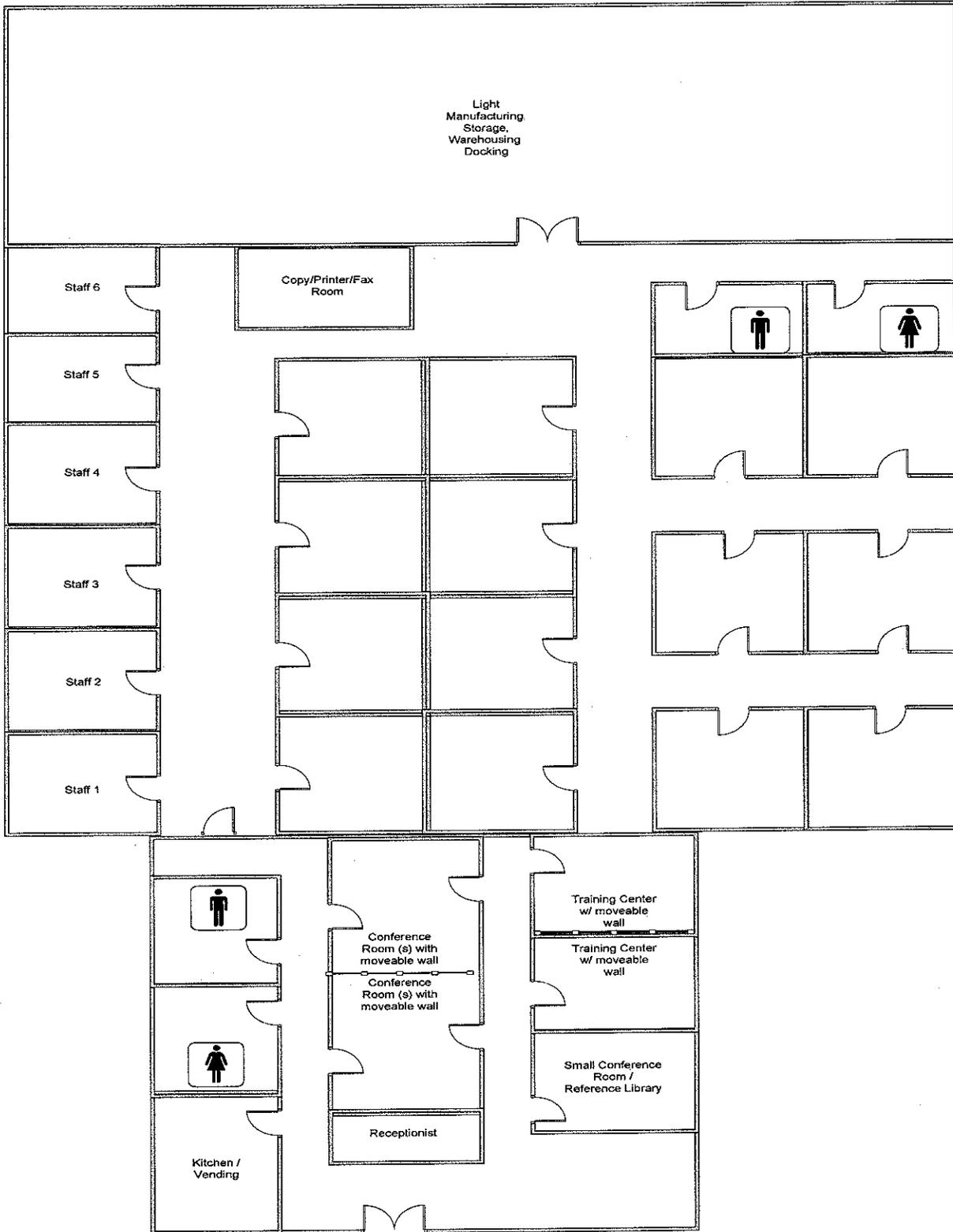
Facility Requirements

The business incubator facility should be designed for easy occupation by a variety of tenants.

- Design often incorporates two categories of office space, small suites of 150-400SF to accommodate individual entrepreneurs and large suites (or pods of offices) of 1500-3000SF to accommodate growing firms. The design needs to set up for ease of adaptability of tenant space. Incubators properly designed allow easy access to tenants and their customers as well as room for businesses to expand and reorganize
- Tenants should have easy access to loading/docking facilities. Tenants will also need storage space, material handling tools (e.g. forklifts), and possibly light manufacturing space. It is assumed that between 1800SF and 2000SF will be set aside for these capabilities.

- The facility will include central access for office services, staff, and other services are also important to operation by the tenant.
- Shared conference room space, administrative services, fax/copier room, mailroom and restrooms all require thoughtful design to maximize efficiency.
- The facility will have a common area to be utilized by the all of the Center's constituents including tenants, small business/nonprofit business consulting, youth entrepreneurship programs and community forums. The common area includes a reception area, conference rooms, training center, resource library and vending areas, and restrooms.
- The facility will be set up with appropriate communication networks, security (keycards) HVAC, Electrical, plumbing, etc.

The diagram on the following page depicts a rough rendition of the available UCED space. The UCED expects to have 6500 square feet available for the Business Incubator and 1600 square feet available for the Common Area.



Youth Entrepreneurship Program Scope of Operations

Target Audience

North Minneapolis Youth (ages 12-21)

The UCED continues to assess alternatives for youth entrepreneurship programs. Options include:

- Development of youth entrepreneurship program to be offered through after-school programs at the UCED and/or potentially in partnership with the University of Minnesota Extension Services-4-H program. Programs will be offered in semester long or year-long options.
- Intensive youth entrepreneurship camps, held during the summer at the University of Minnesota
- Development of a youth entrepreneurship curriculum and offered through North Minneapolis schools.

Curriculum will be developed in conjunction with the Carlson School of Management and / or in conjunction with other existing youth entrepreneurship programs such as YEA!, Going Solo, NFTE, or Junior Achievement. In any case, age-appropriate curricula will be developed to serve differentiating needs with a focus on the following age groups:

- Ages 12-14, Grades 6-8
- Ages 15-18, Grades 9-12
- Ages 19-21, Post-Secondary

Further details of the above options are available in the Youth Entrepreneurship Program section of the Appendix

Projections

It is anticipated that approximately 25-30 youth per age-group will participate each year. The program will expand as demand increases over time

Fulfillment Approach

Youth will be notified of the program through the schools, community postings, newspaper notifications, etc. Interested youth will be required to fill out an application and respond to a brief questionnaire, outlining their experiences and interests. Other components to the application will be parental permission and references.

Measures of Success/Performance Measures

The following performance measures will be utilized to recognize achievements for the Youth Entrepreneurship Program:

- Number of Northside youth participating in the program, by age group
- Youth improvements in communication, teamwork, conflict resolution, decision making, creativity, problem solving and critical thinking
- Favorable end-of-session satisfaction survey results

Facility Requirements

There are no specific facility requirements above and beyond the facility requirements described for the incubator and Center common area. Youth and youth leaders will be able to leverage the training and conference rooms at the UCED or utilize neighborhood schools or community centers.

University Job Initiatives Scope of Operations

Target Audience

North Minneapolis residents interested in open positions on the University of Minnesota campus.
North Minneapolis small businesses interested in bidding for supplier contracts or construction projects with the University of Minnesota

Projections

The goal of initiative is to increase the communication to north Minneapolis residents and businesses. Therefore, no specific projections for job placement and bid wins will be made. Specific placement for jobs and contracts is based on qualifications.

Already a goal of the OBCED, the OBCED's construction program plans to place 3-5 apprenticeships with contractors/subcontractors on each project that is greater than \$1M. On a yearly basis, the OBCED's goal is to place 20-30 apprenticeships. The UCED will work with the OBCED to communicate opportunities.

Fulfillment Approach

The University Job Initiatives is comprised of two primary components:

1. Open positions on the University of Minnesota campus posted and advertised to North Minneapolis residents
 - a. Open University of Minnesota jobs (permanent and temporary)
 - b. Open positions with University of Minnesota vendors (dining services, bus services, etc.)

Available, open positions will be posted via links on the UCED's website, posted on UCED bulletins, and advertised in local newspapers.

2. Posting of contract bids and bid meetings for University of Minnesota supplier diversity or on-campus construction projects to North Minneapolis small businesses
 - a. Upcoming bids and bid meeting notices
 - b. Available apprenticeship positions
 - c. Construction training courses in conjunction with Roosevelt Urban League and Summit OIC
 - d. Training sessions on how to do business with the University of Minnesota

Upcoming bids and bid meeting notices will be posted via links on the UCED's website, posted on UCED bulletins, and advertised in local newspapers.

The OBCED is currently building partnerships with Roosevelt's Urban League and Summit OIC. Both North Minneapolis organizations have certified construction training programs. The OBCED will work with these organizations to place graduates on University of Minnesota construction jobs and apprentices. Both the training program and placement programs will be advertised through the OBCED and the UCED.

The OBCED will work in conjunction with the UCED to offer training session on how to do business with the University of Minnesota. This program will be offered to Northside small businesses and UCED Incubator clients.

Measures of Success/Performance Measures

The following performance measures will provide indicators of Northside participation. The information will be tracked by zip code.

- Number of applicants from North Minneapolis
- Number of placements of North Minneapolis residents in University of Minnesota campus open positions
- Average salaries of applicants placed in campus positions
- Number of proposals from North Minneapolis businesses for University of Minnesota supplier programs
- Number of proposals from North Minneapolis businesses for University of Minnesota construction projects
- Number of North Minneapolis residents placed on jobs from apprenticeship program

Facility Requirements

There are no specific facility requirements. Residents will be able to look for postings via a link from the UCED website. Residents are welcome to use the UCED's library for internet access if they desire. (See UCED facility diagram above.)

Training and Education Scope of Operations

Target Audience

North Minneapolis residents, North Minneapolis small businesses and UCED Incubator clients interested in enhancing their computer skills and business skills. The following education avenues will be offered:

- Computer Training Lab (accounting & finance, database management, graphics, MS Office, web development)
- Executive Leadership Development Program (developed in conjunction with the Carlson School of Management)
- Small-business forums, round tables, networking opportunities
- UCED Resource Library (reference material, access to computers for online research)

These service offerings are extensions to OBCED's core services and will be made available at both OBCED's offices and the UCED.

Projections

During the 2005/2006 fiscal year OBCED offered computer course to 68 individuals of which 13 came from north Minneapolis organizations. During 2006/2007 fiscal year, the number of

students increased to 145, with 21 participants coming from organizations within north Minneapolis.

The UCED, drawing from residents, businesses, and nonprofits in north Minneapolis is expected to see the same type of growth.

Fulfillment Approach

Training and education offerings will be announced via a number of avenues including UCED’s website, UCED bulletins and newsletters, local papers and through partners. Notification of training sessions will also be made through OBCED’s standard channels

Measures of Success/Performance Measures

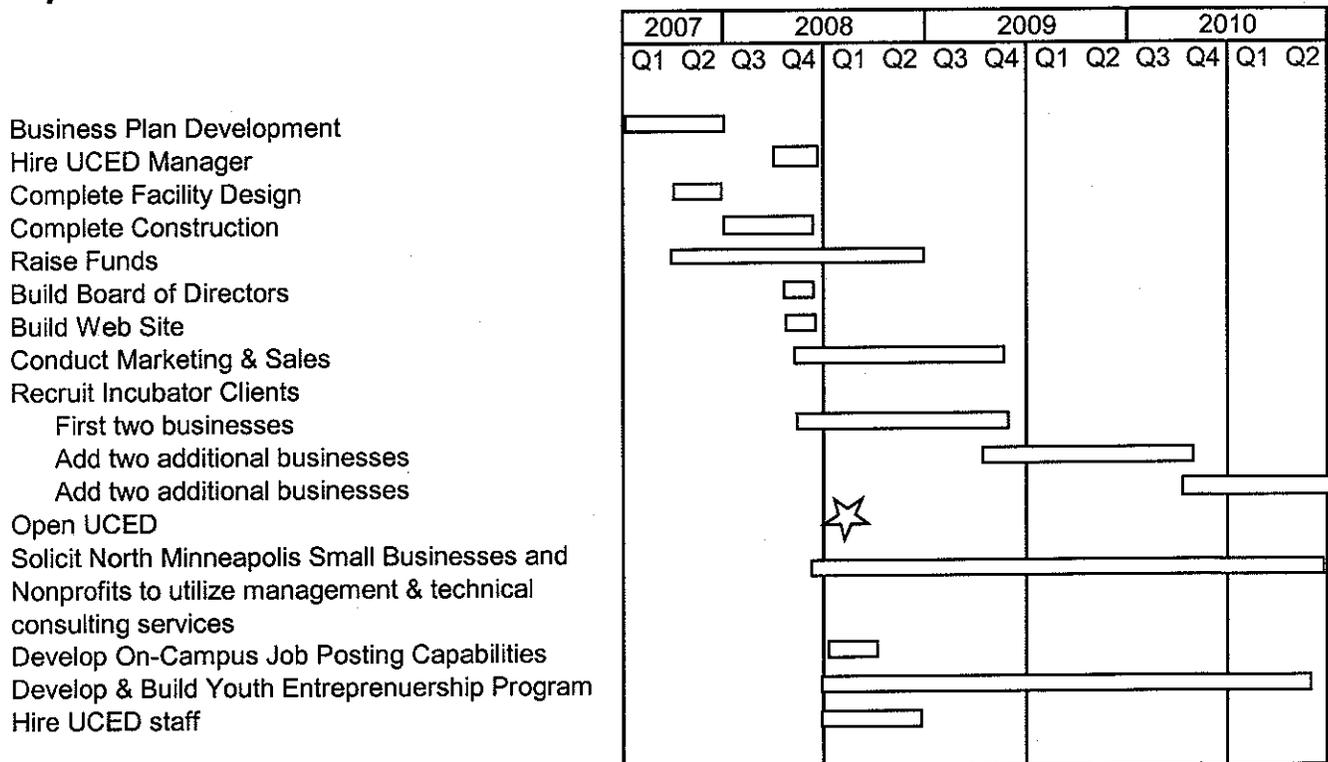
The following performance measures will be tracked

- Number of participants in each type of program offering
- Post-session client satisfaction survey results

Facility Requirements

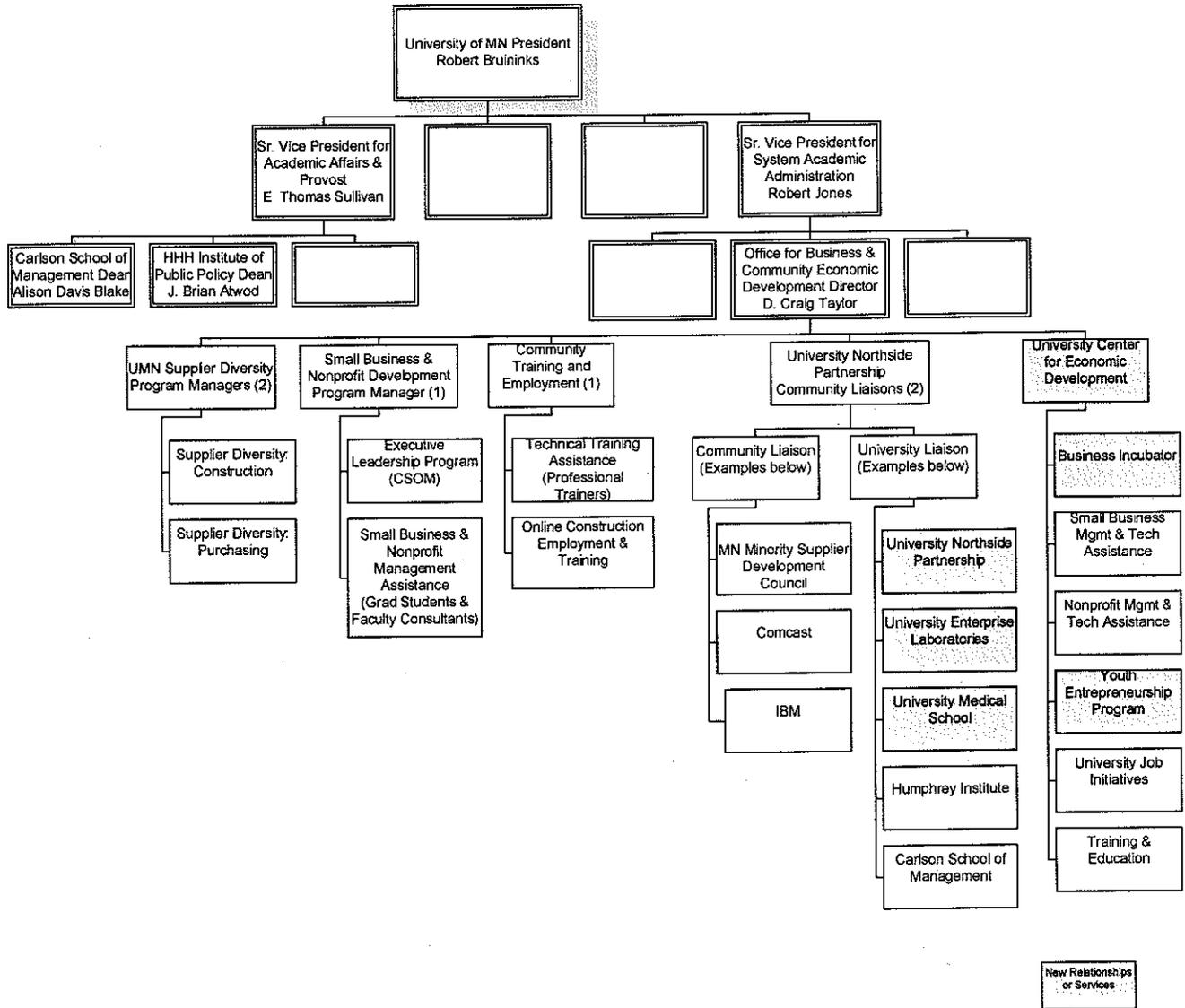
The UCED Common Area (see UCED facility diagram above), will encompass facilities for each type of training and education. The UCED will encompass a computer training lab, a library and conference rooms.

Implementation Timeline



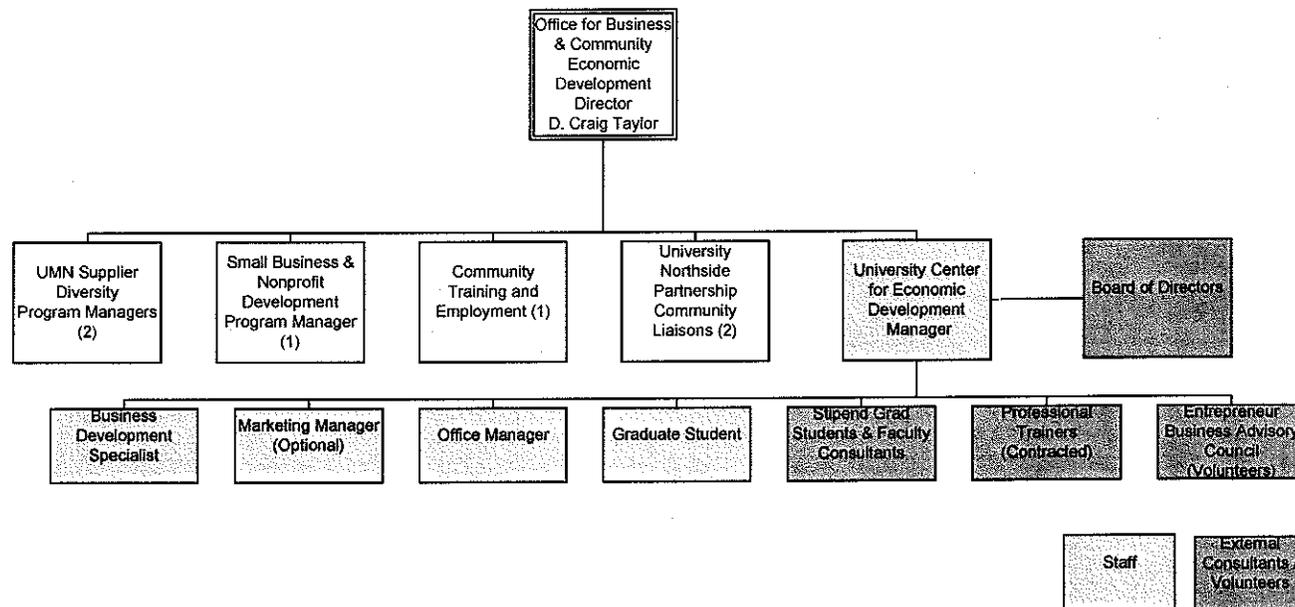
Management & Staffing

Organizationally, the University Center for Economic Development (UCED) will be part of the Office for Business and Community Economic Development (OBCED). The organizational chart, provides a pictorial representation of the OBCED and UCED.



Specific Job Positions of the University Center for Economic Development

By looking closer at the UCED structure, the organization anticipates the involvement of the following key personnel. Position descriptions and required skills are outlined further below.



Board of Directors

The Board of Directors is expected to provide strong leadership and support for the University Center for Economic Development (UCED).

Board responsibilities include:

- Govern the organization via policies and objectives, formulated and agreed upon, to carry out the mission and services of the organization
- Provide fiscal accountability and approve the budget
- Develop and update a strategic plan for the UCED
- Market the UCED to potential stakeholders and client businesses
- Support the UCED's manager in establishing and managing the professions services network mentor network and investor network
- Support the operation of the UCED and monitor UCED budgets
- Support fundraising activities
- Support the development of successful client businesses
- Serve as the liaison with government representatives for publicly supported incubators and economic development programs
- Set UCED performance metrics
- Conduct performance review of UCED results and of UCED manager

The size of the Board of Directors is comprised of 6-12 members. Board members should be comprised of highly specialized, experienced individuals bringing the following characteristics and talents to bear:

- Leaders and champions with a clear vision of the UCED's mission and the motivation to assist with its success
- Venture capitalists, angel investors or bankers
- Successful entrepreneurs
- Faculty with expertise in business management, medical industry, or nonprofit startups
- Legal counsel
- Networkers or professionals with investment and professional connections
- Business operations and real estate professionals
- Technologists with experience in the medical industry

University Center for Economic Development Manager

The University Center for Economic Development Manager is a highly skilled individual with strong business experience. The UCED Manager will have responsibility for the day-to-day operations. The position calls for a wide variety of management skills to support clients, the Board, staff and other stakeholders. The roles and responsibilities of the Center's manager include:

- Plan and coordinate service and program activities to accomplish strategic goals and objectives; Guides strategic direction
- Market and recruit programs and services to potential client businesses.
- Oversees design, marketing, promotion, delivery and quality of programs, products and services
- Manages the human resources of the organization
- Manages the financial and physical resources of the organization
- Has the business expertise to coach and counsel clients
- Build and maintain strategic funding resource partnerships
- Experience with volunteer recruitment within business community
- Coordinate and cultivate relationships with University, community and business leaders
- Able to market the Center to financial sponsors, volunteers and other stakeholders
- Medical business development particularly helpful

The following characteristics are ideal for the Center's manager:

- Strategic thinker
- Strong analytical and problem solving experience
- Creativity, particularly in finding solutions with limited funding
- Self-motivated
- Strong networking and people skills
- Excellent communication (written, verbal, presentation)
- Experience with grant writing
- Experience in working with diverse groups and multi-cultural communities

Business Development Specialist / Business Counselor

Develops and manages the specific program offerings for the incubator, small business/nonprofit consulting service, youth entrepreneurship program and job initiatives program.

The specific duties for this position include:

- Provide business management consulting assistance to small businesses and nonprofits
- Identify needs of incubator clients and advises/obtains necessary resources
- Facilitates research and technology transfer

- Coordinate the recruitment and development of an entrepreneur's advisory board
- Coordinate the efforts between various programs and service offerings

The following characteristics are ideal for the Center's counselors:

- Has business management experience
- Strong analytical and problem solving experience
- Creativity, particularly in finding solutions with limited funding
- Self-motivated
- Strong networking and people skills
- Strong communication (written and verbal)
- Excellent communication (written, verbal, presentation)
- Experience in working with diverse groups and multi-cultural communities

Office Manager/Receptionist

Attends to the day-to-day operating details of the Center. Specific responsibilities include:

- Answer phones and respond to inquiries
- Greeting visitors
- Conducting tours
- Manage facilities and oversee office equipment maintenance
- Manage conference rooms and equipment sign-out/setup
- Assist with event planning
- Light bookkeeping (A/R, A/P)

The following characteristics are ideal for the Center's counselors

- Strong written and verbal communication skills
- Friendly demeanor
- Computer processing skills such as word processing, document formatting, spreadsheet proficiency, presentation tools)

Marketing Manager / Development Manager (Optional)

The University Center for Economic Development may choose to have a Marketing Manager. A position such as this is beneficial particularly during the launch period in order to build community awareness / excitement and draw individuals to utilize the Center's capabilities. It is a rarity, however, for economic centers to have a separate position for this role due to the added operational costs. The UCED may consider this a one-year temporary position or may leverage the Economic Development Manager or University Graduate Student for such a role.

The Marketing Manager is responsible for building awareness of the University Center of Economic Development and its services. Specific roles and responsibilities include:

- Development and implementation of a marketing and public relations plan to increase the awareness of the Center, its services and its successes
- Market and recruit entrepreneurs, small business and nonprofits within Northside neighborhoods to leverage the Center's capabilities
- Develop and maintain a pipeline for 100% occupancy of the incubator. This includes:
 - Effective management of the pipeline with qualified leads
 - Management of entry and exit strategies for the incubator businesses

- Optimization of incubator throughput
- Introduce a performance management process designed to support companies and maximize the rate of job creation
- Cultivate and maintain relationships for fundraising to cover the Center's operational costs the Center's programs
- Cultivate and maintain relationships with financial institutions (banks, angel investors, venture capitalists)
- Cultivate and maintain relationships with the University departments and faculty, businesses, and the community to volunteer (coach/mentor) small businesses
- Develop and maintain content for the Center's website and online information center.

The following characteristics are ideal for the Marketing Manager:

- Strong analytical and problem solving experience
- Creativity, particularly in finding solutions with limited funding
- Excellent networking and people skills
- Excellent communication (written, verbal, presentation)
- Experience with fundraising and grant writing
- Experience in working with diverse groups and multi-cultural communities

Graduate Assistants / Business Counselors

Graduate Students will be leveraged as business and nonprofit counselors in two different formats. Two graduate assistants will help manage specific programs while graduate students seeking to gain experience via short work engagements or class credit can be paired with small businesses or nonprofits for short-term efforts.

Program Management (Graduate Assistants)

- Responsible for the development and management of the youth entrepreneurial program
- Responsible for the management of community small business and nonprofit consulting matches between students and businesses/nonprofits for job initiatives.

Small Business/Nonprofit Consulting (Graduate Students/Interns)

Teams of paid students work with small business and nonprofits to provide them with assistance they need. Projects completed by students are approximately 40-65 hours. The program is open to any University of Minnesota graduate student with emphasis in assistance from the Carlson School of Management and Hubert H. Humphrey Institute of Public Policy.

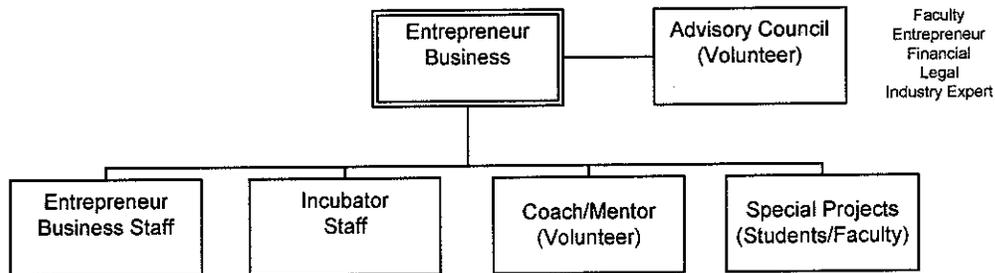
Students apply for the program and are placed on projects based upon their skills, education, project interest and availability matched against the specific needs of the clients.

Entrepreneur Business Advisory Council / Volunteer Coach-Mentor

Entrepreneurs will be matched with seasoned professionals with expertise suited to the specific business. Each small business residing in the incubator will be assigned a volunteer-based advisory council based on their needs. The Advisory Council will act similarly to a Board of Directors during the business' early stages. They will provide guidance and advice in direction, operations, finance, legal, etc. without detail involvement in daily operations. Possible advisory council members include: successful entrepreneur, corporate executives, faculty members, legal counsel, finance/accounting, and industry experts.

Incubator clients will benefit from interaction with others who have successfully launched new businesses in the past. Successful entrepreneurs will be invited to volunteer as a coach/mentor to a new business owner. The coach/mentor role is to share practical, real-world experience in dealing with the formation and growth of a new venture.

Structurally, the UCED envisions that each business within the incubator will be provided with a support organization as outlined in this chart here.



Financial Analysis

Financial projections have been developed encompassing both startup costs as well as a five-year targeted forecast which assumes a conservative approach for the University Center for Economic Development. The University Center for Economic Development plans to begin operations during the 2007-2008 fiscal year.

The enclosed financial analysis is comprised of two components.

1. Financial projections for the University Center for Economic Development
2. Financial projections for common areas within the Urban Outreach Center (to be shared with the Center for Early Education and Development (CEED), Northside Child and Family Center, and a food co-op.

A number of methods have been used to develop the financial projections. In most cases, projections have been based on similar services offered through the OBCED. Where new services are being offered, financial projections are based on best practices.

Financial Projections for UCED

The following pro forma projection for the UCED has been made outlining both projected income and projected costs. Alternative projections are outlined below.

Financial Assumptions

The following financial assumptions have been made regarding the University Center for Economic Development:

- Business incubator considerations
 - According to a National Business Incubator Association survey in 2002, established incubators are funded via the following breakdown:
 - Universities 5% (up to 20% or more if university-based)
 - Federal Departments of Commerce 19%
 - State Government 15%
 - Local Governments 12%
 - Foundations 10%
 - Corporations 8%
 - In-Kind 10%

Prior to seeking funding from these sources, the University of Minnesota will investigate whether funding from these sources diminishes the government/foundation's ability to fund other Twin City based economic development centers, neighborhood development corporations or other incubators. Since the overall target is to increase innovation, increase job opportunities and increase economic impact, the University of Minnesota will want to seek funds which increase the overall impact within the Twin Cities and the Northside.

- The University Center for Economic Development Business Incubator will host an estimated six businesses. Businesses will be able to remain in the center for three to five years as long as they meet the criteria discussed in the operations plan.
- It is anticipated that each business will have one to five employees requiring offices. The facility is estimated for a build out of fourteen offices for incubators and six offices for staff.
- The financial projections conservatively estimate that two businesses will move into the incubator each year and that the size of the companies will grow each year to a maximum of 80% capacity. It is assumed rental income will be sustained beyond that point.
- The project assumes a mid-point rental fee per square foot for tenants. Incubator rental rates range from \$1.25 to \$25 depending on the organization, services, and location. Rental rates may need to be adjusted when the incubator opens to match market rates for North Minneapolis.
- Each office will be outfitted with office furniture, desktop computers, networking capabilities and telephones. UCED will need to determine whether there will be additional equipment fees based on the uses of these tools or whether the cost will be incorporated into the square footage rental rate. For now, it is assumed that no additional fees will be charged for these physical assets.
- Salary increases are 3% each year for UCED staff.
- It is assumed that the University of Minnesota Foundation will assist with a major portion of the funding in the first year (70%). It is assumed that over a five-year period, the Foundation's support will decrease to 20% as funding from other grants/sponsorships become available.
- It is UCED's plan to offer youth entrepreneurship programs to three age groups: Ages 12-14, Grades 6-8; Ages 15-18, Grades 9-12; and Ages 19-21, Post-Secondary with an average participant size per group of 16. A small stipend will be charged to cover materials for the program.
- Based on current requests for management and technical consulting services through the OBCED, the UCED makes the assumption that it will assist seven (7) Northside small businesses/nonprofits in the first year and will increase its capabilities to service 15 organizations within five years. Small fees will be charged to the clients and funding to pay graduate students is expected to come through grants.
- The most significant cost included in the pro forma is in building rent. It is assumed that UCED will be charged full-market square footage rates by the University of Minnesota.
- There will be shared resources with the OBCED. The costs associated with the shared resources and services from the OBCED are not included in the operating costs of the UCED.
 - Network and computer support will be managed by the IT manager of the OBCED.
 - The central coordination and matching of students and faculty consultants for business and technical assistance will be managed in conjunction with the OBCED's MAP and MIAP programs.
 - Some training workshops will be coordinated through the OBCED's training and education program.
 - Other services and events deemed valuable to both OBCED and UCED clients will be coordinated between the two organizations.

Improved Case / Weakened Case Scenarios

Many positive or detrimental activities can improve or weaken the financial case for the UCED. Within this plan, a few key components of the plan have greater impact to the financial case than others. The key areas for financial consideration include:

- Increased/decreased demand for service
- Increases/decreases in financial support
- Elimination of University of Minnesota rental charges to UCED

Improved Case

Within this scenario, the UCED’s financial status is quite stable as a result of increased demand for services which result in increased operating revenue while operating expenses remain fairly stable. At the same time the University of Minnesota rental charges to the UCED are eliminated

Weakened Case

Within this scenario, it is assumed that revenues are less due to a lack of demand for services and insufficient funds. Within this scenario, it is highly advised that some services be deferred until demand increases or funding becomes available.

Critical Success Factors

There are several critical success factors required for the UCED’s success. They include:

- Engagement with community residents and community partners
- Effective partnerships with University of Minnesota colleges to gain access to research, intellectual knowledge, faculty and graduate students. The colleges include but are not limited to the Carlson School of Management, the Humphrey Institute, the Medical School, and the Law School.
- Engagement with successful entrepreneurs and businesses to work as volunteers with incubator clients.
- Ability to retain entrepreneurial businesses in north Minneapolis after graduation to sustain economic impact on the Northside.
- Ability to raise sufficient funds to meet the economic development needs of the Northside

Risks and Mitigations

The OBCED will face some risks in establish the UCED in north Minneapolis. Risks and Mitigations include:

Risk	Mitigation
Lower than Expected Demand	<ul style="list-style-type: none"> • Develop clear marketing and advertising goals and objectives. If necessary, hire temporary marketing staff to aid in promotion.
Higher than Expected Demand	<ul style="list-style-type: none"> • Depending on demand, evaluate space alternatives. If additional incubator space required, obtain new site facilities. If expansion of consulting services or youth participation, development relationships with schools, community centers, and/or places of worship for space usage.

Risk	Mitigation
Insufficient Funding	<ul style="list-style-type: none"> • Conversations to gain funding commitments already in progress. The University of Minnesota has engaged a development manager for the Urban Outreach Center to seek funding avenues • OBCED Director and UCED manager expected to engage in relationship building with local sources • If necessary, defer or scale back some services until such time that funding is available.
Lack of Retention of Post-Graduate Entrepreneurial Businesses in north Minneapolis	<ul style="list-style-type: none"> • Outline expectations and gain commitment during selection process (see Operations Plan) • Engage businesses in community (participating events and/or hiring Northside residents) • Offer post-graduation services to those who remain within the community
Lack of Community Engagement	<ul style="list-style-type: none"> • Develop clear marketing and advertising goals and objectives • Develop partnerships with local businesses and nonprofits to engage community resources • Sponsor and participate in community events • Promote successes via local media avenues
Lack of University of Minnesota Faculty / Student Participation	<ul style="list-style-type: none"> • Develop clear marketing goals and objectives. • Develop partnerships with college deans, faculty and student programs

Financial Projections for the Common Area of the Urban Outreach Center

Below are the financial projections for common areas within the Urban Outreach Center. The common space will be shared with the Center for Early Education and Development (CEED), Northside Child and Family Center, and a food co-op

Financial Assumptions

The following financial assumptions have been made regarding the common space of the Urban Outreach Center:

- The common area outlined in the operational plan is budgeted separately. While the full costs of the common area are outlined in this document, it is assumed the costs and space will be shared between the organizations using the Urban Outreach Center
- Estimates for the training center and conference rooms are based on a recent build out of OBCED's training center and office space.
- Only one pro forma is provided here. However, the financial projections may be impacted by
 - Increased/decreased demand for service
 - Increases/decreases in financial support
 - Elimination of University of Minnesota rental charges for the common area

University Center for Economic Development Pro Forma

Likely Scenario

Revenues

Grants/Donations
 Local: City of Minneapolis
 Foundations
 University of MN (70% Yr1, 80% Yr2, 45% Yr3, 30% Yr4, 20% Yr 5)

Operating Revenue

Rental Income
 Service Fees
 Management & Technical Consulting Services
 Workshop/Seminar Fees
 Event Fees
 Membership/Service Fees
 Youth Entrepreneurship Program Fees

In Kind Donations

Professional Services
 Furniture & Equipment

Total Revenues

Less Startup / Capital Expenses

Furniture & Equipment (Startup Capital Equipment)
 Office Furniture (rebuffed) (Office Furniture: Desks, chairs, filing cabinets, bookshelves, storage, whiteboards, etc.) (one time cost)
 Desktop Computers (one time costs)
 Network / Computer Equipment / Software
 Telephone Equipment (one time cost)
 Telephone Installation (one time cost)
 Color Printer (one time cost)
 Medium-Service Photocopier (one time cost)
 Fax (one time cost)

Less Operating Expenses

Salary and Benefits
 UCED Manager
 Business Development Specialist / Business Counselor
 Marketing Manager (Optional)
 Office Manager / Receptionist
 Graduate Student
 Fringe Benefits (29.5%)
General Operating Expenses
 Employee Training
 Profession Dues and Memberships
 Employee Travel
 Professional Services
 Faculty (Stipends)
 Consultants (e.g. Accountants, Attorneys, Trainers)
 Graduate Students (Stipends)
Program Operating Funds
 Business Incubator Services (Costs incorporated in line items)
 Small Business and Nonprofit Management & Technical Assistance
 Youth Entrepreneurship Program (Curriculum Development, Facility usage)
 Job Initiatives (Developed into UCED Website)
 Training Workshops/Seminars for Nonprofits and Small Businesses
 Professional and Business Management Books, Publications for Library

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenues	\$519,863	\$511,758	\$492,544	\$461,930	\$442,937
Grants/Donations	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Local: City of Minneapolis	\$40,000	\$100,000	\$130,000	\$170,000	\$200,000
Foundations	\$373,519	\$286,102	\$226,404	\$154,590	\$105,397
University of MN (70% Yr1, 80% Yr2, 45% Yr3, 30% Yr4, 20% Yr 5)	\$15,444	\$31,356	\$37,440	\$37,440	\$37,440
Operating Revenue	\$700	\$900	\$1,100	\$1,300	\$1,500
Rental Income	\$2,000	\$3,000	\$4,000	\$5,000	\$5,000
Service Fees	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Management & Technical Consulting Services	\$3,000	\$4,000	\$6,000	\$6,000	\$6,000
Workshop/Seminar Fees	\$2,000	\$8,400	\$9,600	\$9,600	\$9,600
Event Fees	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Membership/Service Fees	\$3,000	\$4,000	\$6,000	\$6,000	\$6,000
Youth Entrepreneurship Program Fees	\$7,200	\$8,400	\$9,600	\$9,600	\$9,600
In Kind Donations					
Professional Services					
Furniture & Equipment					
Total Revenues	\$519,863	\$511,758	\$492,544	\$461,930	\$442,937
Less Startup / Capital Expenses					
Furniture & Equipment (Startup Capital Equipment)	\$30,000				
Office Furniture (rebuffed) (Office Furniture: Desks, chairs, filing cabinets, bookshelves, storage, whiteboards, etc.) (one time cost)	\$14,600				
Desktop Computers (one time costs)	\$6,000	\$2,000	\$3,000	\$4,000	\$5,000
Network / Computer Equipment / Software	\$1,300				
Telephone Equipment (one time cost)	\$2,250				
Telephone Installation (one time cost)	\$2,000				
Color Printer (one time cost)	\$6,000				
Medium-Service Photocopier (one time cost)	\$350				
Fax (one time cost)					
Less Operating Expenses					
Salary and Benefits					
UCED Manager	\$62,500	\$64,375	\$66,306	\$68,295	\$70,344
Business Development Specialist / Business Counselor	\$41,500	\$42,745	\$44,027	\$45,348	\$46,709
Marketing Manager (Optional)	\$30,500	\$31,415	\$32,357	\$33,328	\$34,328
Office Manager / Receptionist	\$10,750	\$11,073	\$11,405	\$11,747	\$12,099
Graduate Student	\$42,849	\$44,134	\$45,458	\$46,822	\$48,227
Fringe Benefits (29.5%)					
General Operating Expenses					
Employee Training	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
Profession Dues and Memberships	\$500	\$500	\$500	\$500	\$500
Employee Travel	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Professional Services	\$15,500	\$24,500	\$32,000	\$36,000	\$35,000
Faculty (Stipends)	\$1,200	\$1,200	\$1,200	\$1,500	\$1,500
Consultants (e.g. Accountants, Attorneys, Trainers)	\$4,550	\$5,850	\$7,150	\$8,450	\$9,750
Graduate Students (Stipends)					
Program Operating Funds					
Business Incubator Services (Costs incorporated in line items)	\$0	\$0	\$0	\$0	\$0
Small Business and Nonprofit Management & Technical Assistance	\$56,000	\$42,000	\$49,000	\$48,000	\$48,000
Youth Entrepreneurship Program (Curriculum Development, Facility usage)	\$0	\$0	\$0	\$0	\$0
Job Initiatives (Developed into UCED Website)	\$3,500	\$3,500	\$4,200	\$4,200	\$4,500
Training Workshops/Seminars for Nonprofits and Small Businesses	\$550	\$550	\$550	\$550	\$550
Professional and Business Management Books, Publications for Library					

Assumptions

20 Offices
 \$1500 / Office
 \$730/office @ 20 offices
 1st Year = one time costs; subsequent years = upgrades
 \$65 / office
 % of total expenses
 \$12/sq ft. ~3900 rentable sq feet (Yr 1, 33% occupancy; Yr2, 67%; Yr3-5, 80%)
 \$100 /Organization. 7 Organizations per year. Increase by 2 per year
 \$25 * 30 people * 4 times/year
 \$900 -\$1500/organization per year
 \$200 per youth * 16 youth per age group * 3 age groups per year.

Assumptions
 3% Salary Increase per Year
 40 hrs training at \$1500/week * 3 resources
 \$500 National Business Incubator Association
 Estimate for a one week conference is \$2000
 7 projects/year. \$650. Increase by 2/yr (Funds passed through MAP / MTAP)
 See Grad Student Stipends
 \$20,000 startup costs, \$1,000 cost/student

University Center for Economic Development Pro Forma
Likely Scenario

	Year 1	Year 2	Year 3	Year 4	Year 5	Assumptions
Community and Business Events/Seminars	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$250*4 times/year
UCED Website Development (General Info) and Secured Information Resource C	\$1,200	\$200	\$200	\$200	\$200	
Marketing	\$11,500	\$13,000	\$16,000	\$16,000	\$18,000	
Advertising/Brochures, Mktg Material						
Trade Shows						
Public Relations						
Facilities & Operations						
Lease	\$162,500	\$162,500	\$162,500	\$162,500	\$162,500	\$25 / sq foot; 6500 sq feet
Office Supplies/Sundries	\$5,200	\$5,800	\$6,200	\$6,200	\$6,500	
Postage	\$1,600	\$1,920	\$2,112	\$2,323	\$2,556	~20% increase in postage & mailings
Phone Services	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	
Telecommunications (e.g. Internet services)	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	Potential duplication of costs with Common area budget
Equipment, Maintenance and Upgrades	\$2,500	\$2,800	\$3,100	\$3,400	\$3,700	Potential duplication of costs with Common area budget
Utilities (gas, water, electricity, trash hauling, recycling/shredding, etc.)	\$1,500	\$1,575	\$1,654	\$1,736	\$1,823	5% increase per year
Net Expenses	\$533,599	\$476,837	\$503,120	\$515,300	\$526,966	
Income (Loss) Before Taxes, Depreciation, Amortization	-\$13,736	\$34,921	-\$10,576	-\$53,370	-\$84,048	

Youth Entrepreneurship Program

Objective

The University Center for Economic Development envisions an environment that engages the north Minneapolis youth, between the ages of twelve and twenty-one, in entrepreneurship programs.

The youth entrepreneurship program has the objective to increase the knowledge and engage youth in:

- Entrepreneurship
 - Problem-solving skills
 - Technology skills
 - Creativity and innovation
- Work readiness and employability
- Interpersonal skills & leadership development
- Academic achievement

In addition, a youth entrepreneurship program can expect youths to obtain positive outcomes in:

- Practical skills including, but not limited to, teamwork, money management, decision-making, personal responsibility, and public speaking
- Educational Attainment
- Reduction in risky behaviors

Overview

Entrepreneurship, school-to-work and vocational programs positively influence youth development. Such programs promote positive economic, intellectual, and social experiences. Entrepreneurial programs also have positive influences on academic success as a result of “hands-on” experiences which help build self-esteem, motivation, leadership skills, and interactions with others. Youth entrepreneurship programs also encourage continuing education and career exploration in areas such as innovation, sciences, technology, manufacturing and business.

According to *entrepreneur.com* (www.entrepreneur.com/topcolleges/index.html), the most successful youth entrepreneurial programs have the following elements:

- Experiential learning
- Mentorship programs
- Faculty experienced in entrepreneurship
- Community involvement
- Partnerships with entrepreneurial organizations
- Innovative and creative environments

Focus groups, held during the exploration phase of the University Northside Partnership demonstrate a strong desire to develop programs for the youth of north Minneapolis. In particular, the youth want to be connected to their communities and participate in programs that allow for creativity, diversity, and jobs.

Youth make up 43.5% of the total Northside population, creating an opportunity to offer programs that ultimately lead to long-term participation in Northside economic development by influencing the youth of today.

Total Northside Population	68,128	% of Total Population
Under 5	6,452	9.47%
5 to 9	7,713	11.32%
10 to 14	7,560	11.10%
15 to 17	3,882	5.70%
18 to 21	4,027	5.91%
Total Youth Population	29,634	43.50%

University of Minnesota Capabilities

Identified as a Northside community need, the University of Minnesota is uniquely positioned to meet the interests in youth entrepreneurship programs.

The University of Minnesota’s entrepreneurship studies is the fastest growing programs at the Carlson School of Management. The Gary S. Holmes Center for Entrepreneurship coordinates entrepreneurial research, teaching, and outreach services focusing on topics such as business formation, business planning, entrepreneurship and innovation, venture capital, growth stages, and the creation of value in ventures.

The mission of the Minnesota Council on Economic Education (MCEE) is to provide Minnesotans with the economic and personal financial understanding they need to function effectively in a complex, global environment.

The Council accomplishes its mission by developing and conducting teacher and community education programs, using existing organizations and networks. The goals of the Minnesota Council are to provide comprehensive economic education to educators; develop and disseminate high quality economic curriculum materials; provide curricula, teaching exercises and student competitions that augment existing curricula and instructional objectives; encourage and reinforce the efforts of education professionals to bring economic understanding to the youth of Minnesota; develop and support economic educational programs aimed at the general public, educators, communities, and other targeted groups; and develop and advocate the use of measurable outcomes to indicate program effectiveness

The Minnesota Council's programs are delivered through a network of University-affiliated Centers for Economic Education located at Minnesota State University-Mankato, Minnesota State University-Moorhead, St. Cloud State University, the University of Minnesota-Duluth, the University of Minnesota-St. Paul and the University of St. Thomas. The academicians who serve as center directors bring Minnesota Council programs to educators. They, along with the Executive Director of the Council, are contributions in-kind by their universities as a partnership pledge with the Minnesota Council to bring improved economic understanding to Minnesota educators and their students.

Potential Programs

The specifics of a youth entrepreneurship program depend on a number of factors, including:

1. Age-appropriate content
Content is usually managed by age-group or grade-level
 - a. Ages 6-11, Grades K-5
 - b. Ages 12-14, Grades 6-8
 - c. Ages 15-18, Grades 9-12
 - d. Ages 19-21, Post-Secondary
2. Method of Delivery
The method of delivery can take many forms. The method of delivery may take on one or more of the following characteristics.
 - a. Programs can be incorporated into existing grade-school and high-school curriculum
 - b. Programs can be offered as after-school programs
 - c. Programs can be offered as part of summer camp programs
 - d. Curriculum can be delivered for college credit
 - e. Programs can be developed specifically focused on educational components or can be developed in experiential learning
3. Length of Delivery
The length of a given program depends on the content and depth of material to be covered. In general, experiential or hands-on programs tend to last for longer periods of time than to more introductory courses.
 - a. Summer camps (1-2 weeks)
 - b. Semester-long programs
 - c. School-year programs
 - d. Year-round programs
4. Location of Offerings
Various considerations need to be taken into account as to the location of the program(s). Each option offers advantages and disadvantages.
 - a. Grade schools and high schools: Most appropriate for programs that are built into the curriculum. Also appropriate for after school programs.
 - b. Community centers: Most appropriate for smaller class sizes drawing from residents within the immediate area. The use of community centers and schools ensure limited transportation requirements for residents.

- c. University Center for Economic Development: Holding courses at the University Center of Economic Development is an avenue for bringing the community together in one central location for all entrepreneurial needs.
 - d. University of Minnesota Campus: Holding courses or camps on the University of Minnesota Campus allows students to experience the college campus while removing hesitations and mystic about university life. Transportation to the University may be a barrier for Northside residents.
5. Potential for Partnerships
- The University of Minnesota has the opportunity to develop the program in partnership with already existing programs throughout the United States. The University will need to weigh the advantages and disadvantages of developing the potential partnerships. This list is not all inclusive but identifies a few possibilities.
- a. Junior Achievement of the Upper Midwest or National Foundation of Teaching Entrepreneurship (see Market Comparisons, below, for further information). Programs can be modified to coincide with the Universities objectives. Similarly, the University of Minnesota could collaborate with programs offered by the YMCA or Faith-based/Community-based programs.
 - b. Going Solo (see Market Comparisons, below, for further information. This program is used by a number of Universities and offered as an in-school curriculum
 - c. University of Minnesota Extension Services – 4H program (see Market Comparisons, below, for further information). Develop curriculum for an urban 4H setting
 - d. Business partnerships are critical to experiential programs. Relationships with entrepreneurial leaders, bankers, and faculty ensure that students are able to draw from multiple points of view.
6. Scholarship Programs
- Some programs have awards or scholarships embedded into their programs. Such incentives increase motivation levels of individuals and teams, offer new opportunities for minority populations and draw local residents to the University for post-secondary education.

Other operational considerations will include staffing, use of faculty, facility requirements and sponsorships.

Market Comparisons

This section outlines various youth entrepreneurship programs that have been developed as national programs, local programs, or university-based programs. Many other examples are available. The intent here is to outline examples of differing programs

National Programs

National Foundation for Teaching Entrepreneurship (NFTE)

NFTE provides entrepreneurship education programs to young people from low-income communities. Its emphasis is on creating/maintaining experiential curricula to improve the academic, business and life skills of youth. Through its program, it trains and support teachers through a certification process.

NFTE provides curriculum for the following age groups:

- Middle School: covers basic entrepreneurial and business concepts
- High School: Offers, hands-on core experience in how to start and operate a small business. It can be offered in a semester or year-long program which can be integrated with classroom teaching or offered as an after school program.
- Post-Secondary: Provides in depth topics including marketing, technology, finance and competition. The program is developed for use for college credit

There is currently not a NFTE chapter within Minnesota. However, university partners include Babson College, Carnegie Mellon University, Georgetown University, The University of Tampa and New York University.

Local Programs

Junior Achievement

Established in 1949, the Minneapolis and St. Paul chapters of Junior Achievement merged in 1982 to create Junior Achievement of the Upper Midwest, Inc. (JAUM). JAUM has broadened its reach and now serves greater Minnesota, North Dakota and western Wisconsin.

Junior Achievement programs are taught in over 650 schools and throughout the Upper Midwest. Last year alone over 108,000 students had a JA program in their classroom. Each year more than 11,000 community volunteers enter schools to teach the many Junior Achievement programs. Through age-appropriate curricula, Junior Achievement's purpose is to educate and inspire young people to value free enterprise, understand business and economics, and be workforce ready.

Junior Achievement curriculum focuses on the following age appropriate programs:

- Elementary School Programs, Grades K-5, Ages 6-11: Basic economics, understanding of jobs, wages, budgeting, production development and business management
- Middle School Programs, Grades 6-8, Ages 12-14: Emphasis on economics and personal finance. Also covers business development, entrepreneurial development and work readiness.
- High School Programs, Grades 9-12, Ages 15-18: Emphasis on business development, entrepreneurial development and work readiness. Also covers economics and personal finance.

Humboldt Senior High School: H.A.W.K (Humboldt Agricultural Working Kids) Company

Web site: <http://www.spps.org/Humboldt/home.html>

Focus: Entrepreneurship project-based opportunity for urban youth

Age level: Grades 9–12

H.A.W.K. Company is an entrepreneurship project-based opportunity for urban youth to research, develop, produce, and sell a value-added agricultural product. It is team-taught by a family and consumer sciences instructor and a science teacher. It has the cooperation from every department in the school. The students operate a company based on directives from their elected board of directors, which has participation from school administration, the school board, the community, parents, students, and business partners. Seventy-eight percent of participants are persons of color equally distributed between Hispanic, African American, and Asian; multicultural and diverse; most students come from families of poverty level.

Students have developed salable products including dill dip, salsa mix, soybean snack mix, and native flowers. The program is expanding to encourage students to develop their own ideas for products to be brought to market. Students share their ideas, thoughts, and findings by demonstrating their knowledge at conferences, conventions, and meetings.

Susan B Anthony Community Middle School

Focus: Middle school entrepreneurship course

Age-Level: Grades 5-8

Owning Your Own Business is in its third year as a semester elective at Anthony Middle School, which is part of the Minneapolis Public School System. The main curriculum used comes from NFTE (National Foundation for Teaching Entrepreneurship) materials.

Local entrepreneurs are invited weekly to speak to students and answer their questions. Every student is required to complete their own business plan and present their plan to a panel of judges from the community. MEDA (Metropolitan Economic Development Association), a nonprofit organization that helps adults start their own business, provides volunteers to act as consultants to the students.

Students learn the basic skills required to complete a business plan. In addition, students learn how to calculate costs and expenses and how to manage their time and market their business ideas. Students not only learn the basics of starting a business but also have the opportunity to develop their communication and presentation skills, as they are required to verbally and graphically present their business plan. With the help of the financial services community, students visit the trading floor of a major brokerage firm and have a segment on basic investing. Students also play a stock market game by selecting stocks and monitoring their investments.

Presently, *Owning Your Own Business* is the only entrepreneurship program being taught at any level in the Minneapolis Public School System. It is completely funded by the business community.

Depot Coffee House

The Depot Coffee House represents a Youth Business Enterprise aimed at engaging youth in the management of an enterprise. The Depot Coffee House is a four year collaborative (opened in 1998) effort of many local business people, service organizations, volunteers and students from the Hopkins School District 270.

The Depot is unique in that a Board of Directors' voting contingency consists of only high school students. From its inception the Board of Directors has been the decision-maker. They have been involved in everything from licensing and inspections to buying appliances and hiring staff. All of the Depot's profits go to support programs for teens.

University-Based Programs

Listed below are just a few examples of University-based youth entrepreneurship programs.

University of Illinois

<http://communitydevelopment.uiuc.edu>

The University of Illinois Office of Community and Economic Development has developed a tool for teaching entrepreneurship. *Going SOLO* is a designed a curriculum that includes activities to encourage creative problem solving, critical thinking, and communication skills. In addition to the activities, Going SOLO uses an online simulation game to enhance learning.

Participants become involved in a virtual jewelry company where they are responsible for creating a product, planning marketing strategies, production levels, and managing finances while enjoying learning. Going SOLO is a complete package for guiding aspiring entrepreneurs into the world of business ownership. The materials have been developed for both youth and adult entrepreneurial training programs and is the result of feedback from experienced instructors. The flexible and adaptable design is customizable for virtually any setting or audience, including:

- Classrooms
- Community Based Educational Programs
- Camps
- Workshops, Seminars and Short Courses

Other universities are adapting the programs to meet their demographic needs. For example, the University of Wisconsin-Waukesha County Extension Services, has adapted the course for building family-owned businesses.

University of Iowa

The University of Iowa has developed two entrepreneur based programs for youth.

- The University of Iowa has developed an in-classroom curriculum which is taught by K-12 teachers within the classroom during the school year.
- A summer camp, on campus is offered for 4th -6th grades to learn about entrepreneurship. During camp, the students learn about entrepreneurship, learn basic skills in developing new ventures, marketing and business planning.
- A week-long summer camp, on campus, is offered to 7th-9th grades. Emphasis of this program is to learn how to start a business, business planning, product development, business operations, and compete for seed money.

University of Rochester, New York

<http://www.rochester.edu/entrepreneurship/resources/youthprog>

Young Entrepreneurs Academy (YEA) is a 1 year program where students meet once a week and learn how to take an idea and make it into a business or social movement. The program culminates with students creating a business plan and pitching their idea to a panel of local Angel Investors and businesses where they can receive small amounts of funding.

University Extension Services – 4H Programs

Several 4H programs are providing camps and or extended programs to high schools students to learn how to create a business plan, develop marketable skills, visit local businesses, improve presentation skills, learn business etiquette, network with business owners, and live on a college campus. Some universities where programs have been developed include: University of Missouri-Columbia, University of Wisconsin, and University of Houston.

University of Arizona

Sponsored by the Eller College of Management and the 1st National Bank of Arizona, each year, a Youth Entrepreneurship Award is given. The emphasis of the program is to encourage youth to turn a business idea into reality and by doing so, the entrepreneurial process is learned. Six finalists are chose and present their ideas to a panel of business coaches during the competition. The panel is comprised of entrepreneurship students, business leaders, faculty and representatives of 1st National Bank of Arizona. All finalists are offered a cash award from \$500 to \$2,000 depending on their placement in the competition. In addition, the Eller College will match the award with a scholarship if the winning student enrolls at The University of Arizona and declares a major at the Eller College of Management.

National Council of Economic Education

The NCEE now has an entrepreneurial opportunity to administer the youth entrepreneurship programs previously run by the Ewing Marion Kauffman Foundation. The NCEE has accepted this timely educational challenge and is committed to make excellent and effective entrepreneurship education a central part of our core business in advancing economic and financial literacy

Mini-Society® is an experience-based instructional system targeted primarily for teaching entrepreneurship, economics and citizenship concepts to students ages 8 to 12. It was conceived by Dr. Marilyn Kourilsky in the early 1970's and has been refined, extended, and extensively tested over a period of nearly three decades. Mini-Society® has been widely implemented in over 43 states and has been shown to be effective across socioeconomic boundaries and student learning styles.

Students ages 8 – 12 develop a self-organizing economic society with the consultative guidance of the teacher, driven by the need to resolve a classroom situation involving the fundamental economic issues of scarcity and allocation of resources.

How do I use it:

Certified Mini-Society® trainers and teachers may offer the program to their students. The system is typically implemented in 10 or 20 week increments, three sessions per week, with each session lasting about 45 minutes to 1 hour. Teachers are carefully trained how to exercise facilitative and consultative roles (as opposed to their more traditional lecturing and classroom management roles) to maximize the system's ability to enable student learning in target subject areas.

You can learn more about this years [teacher training programs](#), as well as apply online today.

Please contact **Carrie J. McIndoe** at cmcindoe@ncee.net for further information.

Youth Entrepreneurship Programs : Making a Job

Students identify and analyze potential business opportunities through the development of a business plan for an entrepreneurial venture. This experiential curriculum can be infused into regularly scheduled classes in careers/life skills, language arts, computer technology or other curricular areas; or offered as an after-school experience; or be created as a stand-alone course in entrepreneurship and entrepreneurial thinking.

Making a Job is a program for middle and junior high school students focusing on business creation...not management!

EntrePrep

Students attend a residential Summer Institute between junior and senior year in which they focus on the development of skills, knowledge and attitudes of entrepreneurship.

EntrePrep is a unique institute for high achieving, college bound, creative high school juniors designed to provide the fundamental skills of starting a business. Participants will include students interested in math, science, the arts, and other disciplines who have the personal and academic characteristics that make them likely future entrepreneurs.

Urban Outreach Center Operations Plan

The Urban Outreach Center will be comprised of the following ventures associated with the University Northside Partnership:

- Northside Child and Family Center, an expansion of mental health services via a partnership with Northpoint Health and Wellness Center, Hennepin County and the University of Minnesota
- Center for Early Education and Development (CEED)
- University Center for Economic Development
- Food Co-op

Each venture has been developing its own business plan outlining programs and services to be offered to the Northside community and Northside residents. This document, however, outlines the requirements of building-related resources.

Build-out Considerations

In general terms, the facility should be designed for easy occupation by a variety of tenants. The following considerations should be accounted for as the center is being built. Specifics will need to be further assessed as the center is remodeled.

Loading / Docking Facilities: Tenants should have easy access to loading/docking facilities. Tenants will also need storage space, and material handling tools (e.g. forklifts)

Elevators: Is the facility in need of elevators between floors? Is a freight elevator needed? The specifics will be based on the number of employees, expected visitors and equipment needs of the businesses.

HVAC: An HVAC system is needed to handle the heating and cooling of the building. Individual thermostats should be provided, minimally for each business unit. However, consideration may be given to individual control within each office and/or conference room.

Utilities: The electrical, mechanical and plumbing systems need to be set up to meet the specific needs of each business unit. Where possible, individual metering is desired to distribute costs based on usage.

Communications: Like utilities, the specific communication needs for each business unit will be determined as they develop their business plans. However, there are some specific considerations for centralized voice and data lines which should be taken into account. Where possible, individual metering is desired to distribute costs based on usage. Centralized communications infrastructure includes the following considerations:

- WAN and LAN bandwidth to support VOIP, high-speed Internet, streaming media, and Webex conferencing
- Data ports for every computer workstation and printer connection, including but not limited to offices and cubicles, conference rooms, training rooms, and copy centers
- Provisions for telephones, including but not limited to offices and cubicles, conference rooms, training rooms, reception areas, copy centers and kitchen areas
- Electrical and data provisions for LCD projection equipment in conference rooms and training rooms (wiring in the ceiling)
- Provision for WLAN (wireless local area network) as an optional feature

To support the communications technical infrastructure, the following components will be required:

- Main wiring closet which will incorporate a variety of systems including voice, data, security systems. Special consideration for the placement of the room is required as the location needs to be dry and be able to maintain consistency in temperature.
- Other wiring closets may be required to support specific technological needs of each of the other business units.
- Depending on the HVAC system established for the building, the location of the closets and the temperature levels, individual HVAC units may be required for wiring closets and locations where there is a large concentration of workstations, such as in a training room
- Equipment racks will be required in each closet to support the necessary network servers and related equipment.

Note: Specific system and application support will be the responsibility of each business unit within the Urban Outreach Center.

Fire Systems: The building should have all the necessary fire systems in place including but not limited to fire alarms, fire extinguishers, sprinkler systems, emergency exits, and exit light systems. In addition, other monitoring systems may be considered for carbon monoxide and severe weather.

Disability Compliance: The building needs to comply with the Americans with Disabilities Act. Considerations include disabled access to restrooms, water fountains, ramps, automatic doors and parking spaces.

Building Security: Building security may take multiple forms. Different types of security will be required based on the needs of the tenants.

- *Building access:* It is assumed that the building will be open during established business hours, to be determined by each business unit. Depending on the building requirements, certain doors may be identified as main entrances, while other doors may remain locked during standard hours. During non-business hours, building access may be available only to employees and may be set up as key based or as a swipe card access. Note: Programmable card access systems require ongoing upkeep.
- *Business access:* It is assumed that each business will have a central entrance point for its employees and visitors which will remain open during established business hours, to be determined by each business unit. During non-business hours, access to a specific business may be available only to tenants and may be set up as key based swipe card, or door combination access.
- *Individual office access:* Individual offices will have the ability to lock their doors to prevent unauthorized entry at any time of the day. Access to individual offices will be locked/unlocked via key based solutions.
- *Security cameras:* The building may be monitored via security cameras with cameras placed inside and outside the building. The security cameras may be monitored throughout the day by security personnel or leveraged as a post-incident tool.
- *Security personnel:* Security personnel may be used to monitor the building, both internally and externally. In addition security personnel may be available during

specified hours or 24 hours per day. The decision to use security personnel will need to be made jointly between the tenants of the Urban Research Center.

Landscape: Landscaping will be planned during the center's renovation. Landscaping includes the design and implementation of irrigation systems, sidewalks, crosswalks, plantings, and turf.

Surface Lots: Ample parking space is needed based on the number of tenants and visitor expectations. In addition sufficient space must be allocated for delivery trucks, including ample room for maneuvering.

Ongoing Building Maintenance and Support Services

Ongoing facility management is required and is comprised of the following components:

- 1 Building Services
- 2 Maintenance and Operations
- 3 Landcare Services

Building Services

Building services is comprised of the daily building operations. This includes custodial work, building safety, waste management and recycling programs.

Custodial Services: Custodial Services focus on the overall building cleanliness.

Components of custodial work include:

- Floor cleaning (carpet and hard surfaces)
- Dust
- Empty trash cans
- Clean bathrooms and replenish supplies
- Clean drinking fountains
- Pick up litter and debris
- Spot clean

Building Safety: Building Safety Services focuses on the ongoing security management.

Components of building safety include:

- Locksmith services
- Ongoing upkeep of programmable card access systems
- Management of security personnel

Waste Management: Waste management is responsible for the collection and transportation of facility generated solid waste to licensed disposal facilities. To reduce solid waste, recycling programs are encouraged, particularly for paper, cans, and plastic.

Reuse Program: In an effort to help departments save money and promote reusability of office furniture and equipment, the University of Minnesota Facilities Management has established a warehouse which accepts items in good shape and offers them free to other departments for free. Such items include desks, chairs, computers, file cabinets and standard office supplies

Maintenance and Operations

Maintenance and Operations services are comprised of preventative maintenance, routine repairs, and emergency services.

Preventative Maintenance: Preventative maintenance covers ongoing updates on building facilities and equipment. In addition, preventive maintenance ensures that mandated building codes, government regulations and insurance requirements are acted upon. Examples of preventative maintenance include system testing (fire alarms, security alarms, etc.), electrical and mechanical inspections and equipment cleaning / lubrication / calibration.

Routine Repairs: Routine repairs are scheduled items that require updating. Items may include facility mechanical, electrical, plumbing, carpentry, painting and roofing.

Emergency Services: An emergency is required if it will result in a threat to safety, health, the facility or the facilities daily operations. An example of such an emergency may be the bursting of a water pipe. Facilities Management will respond immediately to stabilize the situation. Further repairs may be required at another time.

Landcare Services

Landcare services include the following:

- Landscape design and installation, including irrigation systems.
- Property maintenance including snow removal, plant care, and turf care.
- Property cleanliness including waste collection, surface lot cleaning, and loading dock cleaning

Management & Staffing

Organizationally, the Urban Outreach Center, as a whole will need one full-time employee. It is expected that the majority of the work outlined above will be contracted, where possible, with either north Minneapolis based businesses or with University services.

Urban Outreach Center Building Administrator

The Building Administrator will plan, supervise and coordinate various physical plant and related operational activities for the Urban Outreach Center. The position calls for a wide variety of management skills to support the tenants. The roles and responsibilities of the Center's manager include:

- Coordinate the operational activities and assignments for various maintenance and physical plant related services.
- Coordinate landcare services including plant and lawn care, and parking lot facilities.
- Coordinate and direct the purchasing of normal maintenance, custodial, and grounds maintenance activities, supplies and equipment. Prepare formal bids and coordinate selection of providers.
- Coordinate adjustments to office space and relocation of equipment as required by the business units
- Manages the financial and physical resources of the organization
- Interface with the fire department, public utility and police department as it pertains to matters of security and safety
- Identify work order priorities; effectively resolve potential competing priorities with business units

The following characteristics are ideal for the Center's manager:

- Knowledge and experience in dealing with the services and activities related to facilities management. Experience in coordinating the work of maintenance, custodial, and technical resources.
- Experience in coordinating major remodeling and refurbishing projects
- Has principles and practices of mechanical and electrical engineer
- Knowledge and experience of security and safety systems
- Experience in procurement of contractor services and able to administer contracts
- Basic principles of budget preparation and financial controls.
- Understanding of pertinent federal, state and local laws, codes and regulations as they pertain to the facility and related activity.
- Self-motivated
- Excellent communication (written, verbal)
- Experience in working with diverse groups and multi-cultural communities

Contracted Services

To support the Building Administrator complete his/her responsibilities, it is assumed that one or more organizations will be contracted with to meet the Center's operational requirements. Should the Center chose to work with University service providers, two particular organizations should be considered.

Facilities Management

The University of Minnesota Facilities Management department offers a number of services to support campus buildings. Facilities deemed "non-supported" can contract with Facilities Management for a fee. The Urban Outreach Center may work with the University of Minnesota's Facilities Management organization, may choose to hire its own staff (or portions thereof), or may choose to outsource its facilities management function (preferably with Northside businesses or residents).

Academic and Distributed Computing Services (ADCS)

The University of Minnesota's ADCS offers a range of information technology related services. Support services are free to the University community (e.g. help desk, email, hardware, passwords, telephones, voice mail, etc.). Other services are available for a fee. Services for hire include graphic design, database development, web development and web-site hosting.

Market Comparisons / Competitive Analysis

The University Center for Economic Development envisions an environment with strong community engagement. The development of the center has implications for a number of north Minneapolis stakeholders including other organizations providing economic development services. While some organizations will be competitors of the UCED, others will become University partners in creating economic impact on the Northside.

The University Center for Economic Development has recognized a number of existing organizations as key players in the service areas of a) business incubators, b) for profit and nonprofit business and technical management consulting, c) youth entrepreneur programs, d) trade skills and job initiatives. Few offer a comprehensive set of services as envisioned by the University of Minnesota.

The term "competitor" is used to describe those organizations which offer similar services. Many of the competitors are Federal/State funded programs and Community Development Centers. Therefore, at some point, the University of Minnesota may partner with these organizations to build capacity.

The research conducted by the Office for Business & Community Economic Development indicates that regardless of the number of competitors currently in the market, there remain unfulfilled needs to serve Minneapolis Northside in business and economic growth.

American Indian Neighborhood Development Center

The American Indian Neighborhood Development Center (AINDC) has a goal to empower American Indians through business development in distressed Minneapolis neighborhoods. Created in 1975, AINDC initially focused on the Phillips neighborhood. The organization's first foray into a business incubator was in 1982 with the development of a Franklin Avenue shopping center. The AINC owns seven commercial blocks of real estate which house 47 businesses (mostly retail) that employ over 500 people.

In 2007, the AINDC will be improving two acres in the Hawthorne neighborhood along West Broadway for business development.

Association of Minnesota Micro Enterprises

The Association of Minnesota Micro Enterprises is a coalition of organizations that provide technical assistance and programs to help emerging businesses develop and grow. Members are a cross-section of Microenterprise programs, financial institutions, government agencies, advocacy groups, community-based organizations and individuals.

Junior Achievement

Established in 1949, the Minneapolis and St. Paul chapters of Junior Achievement merged in 1982 to create Junior Achievement of the Upper Midwest, Inc. (JAUM). JAUM has broadened its reach and now serves greater Minnesota, North Dakota and western Wisconsin.

Junior Achievement Programs are taught in over 650 schools and throughout the Upper Midwest. Last year alone over 108,000 students had a JA program in their classroom. Each year more than 11,000 community volunteers enter schools to teach the many Junior Achievement programs. Through age-

appropriate curricula, Junior Achievement's purpose is to educate and inspire young people to value free enterprise, understand business and economics, and be workforce ready

Management Assistance Program for Nonprofits (MAP for Nonprofits)

For 25 years, MAP has worked with nonprofit organizations, foundations and associations as well as the corporate philanthropic community to build a strong Minnesota nonprofit environment.

MAP for Nonprofits provides management consulting and services (strategic planning, fundraising, accounting, leadership development, etc.), as well as board recruitment and training, to nonprofit organizations in the Twin Cities. MAP for Nonprofits works with more than 600 nonprofit organizations annually.

MAP charges consulting and training fees to its clients and receives support from corporate, foundations and individual contributions to supplement rates.

MEDA

The Metropolitan Economic Development Association (MEDA) was founded in Minneapolis in 1971. MEDA offers consulting services to ethnic minority businesses. Since inception, MEDA has assisted in the startup of 365 minority-owned businesses and has provided business-consulting service to 14,500 minority-owned businesses. MEDA subsidizes its consulting fees and charges a nominal per hour rate for businesses with annual sales less than \$1 million and slightly more for businesses with sales greater than \$1 million. MEDA offers services in the following areas:

- Technical and Business Consulting including: Business startup, accounting, management skills, financial assistance, marketing assistance, business plan, etc.
- Construction Partnering: Connecting minority and women-owned construction businesses with projects throughout the Twin Cities.
- Small Business Loans: Loans are offered via relationships with numerous banks throughout the Twin Cities. Loans range from \$25,000 - \$400,000K with an average of \$135,000.
- Government Contracts: Aids minority- and women-owned businesses through the government contract process.

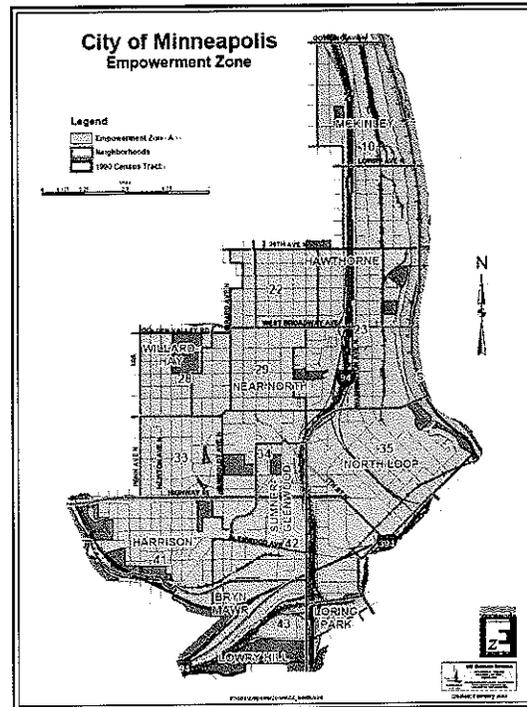
Minneapolis Consortium of Community Developers (MCCD)

The Minneapolis Consortium of Community Developers (MCCD) is a small business program that helps new and early stage businesses access the capital and the technical assistance they need to grow and prosper. MCCD concentrates on the following services:

- Economic Development
- Small Business Loans
- Housing Development

MCCD loans range from \$2,000 to \$25,000. If the loan is done in partnership with a bank, maximum can be up to \$50,000. Besides financing, they provide also advise, counseling and technical assistance. As part of the financing plan, borrowers can receive help in planning, organizing and managing their businesses. Funding sources:

- Community-Based Business Development Program(C-BOP). These loans are funded by current allocations from the Minneapolis Community Development Agency (MCDA) and repayments of earlier city and foundation-funded loans to MCCD borrowers. C-BOP provides direct loans of up to \$15,000 and is available in all Minneapolis neighborhoods.
- Urban Initiative Program (UIP). MCCD draws on funds provided by the Minnesota Department of Employment and Economic Development (DEED). UIP loans for retail businesses are capped at \$25,000. Loans for service, manufacturing and other job-intensive businesses can exceed \$25,000 but these larger loans require a one-for-one match from an area bank. UIP can facilitate revolving credit lines by providing a one-year MCCD loan guaranty to banks that provide credit lines for MCCD borrowers. The MCCD guaranty equals 50% of the credit line amount.
- Minneapolis Empowerment Zone (EZ). The Empowerment Zone (EZ) is a federal program that offers federal grants and tax-exempt bond authority capabilities for economic development in distressed communities. Between 1999 and 2006, \$10.69M in investments have been made in the North Zone of the Empowerment Zone which consists of the Harrison, Near North, Sumner-Glenwood, Jordan, Willard Hay, and Hawthorne neighborhoods. These investments involve both capital projects serving community and economic functions. Also significant are tax incentives to EZ business and employer tax credits offered to establishments who hire local residents.



Minnesota Council for Nonprofits

The Minnesota Council of Nonprofits (MCN) was founded in 1987 to meet the increasing information needs of nonprofits and to convene nonprofits to address issues facing the sector. MCN is an association of more than 1,600 nonprofit organizations throughout the state. MCN's services are focused toward management assistance, governance, public policy, and information share.

Minnesota SCORE (Service Corp of Retired Executives)

As a resource partner with the SBA, SCORE provides services to small businesses. This includes counseling on financing options, business planning, marketing strategies, product development and more. Individual members and counseling teams with diverse business knowledge and experience provide one-on-one, confidential counseling at no cost to small business owners.

In addition, SCORE offers a series of workshops and business seminars on:

- Preparing a business plan
- Sales and marketing
- Financing business ventures
- Understanding SBA lending

Minnesota Technical Assistance Program (MnTAP)

MnTAP is an outreach program that started in 1984 at the University of Minnesota to help businesses with pollution prevention, resource efficiency and reduction of energy use and costs. Student consultants conduct industry analysis, conduct vendor analysis, review environmental regulations, and conduct other market research. This program is open to any business, but has an expertise in more environmentally regulated and technology-intense industries such as dry cleaning, fiberglass, food processing, wood and metal finishing, etc. Over the last five years, the program has responded to over 6,100 requests for assistance and site visits, while an average of 6 internship projects are supported each summer.

Minnesota Technical Inc. (MTI)

Minnesota Technology, Inc. (MTI) is a small business consulting and information services organization. MTI works with technology and manufacturing companies, and business services markets to realize competitive advantages leading to business growth. Originally chartered by the Minnesota Legislature in 1991, MTI operates as a 501(c)(3) non-profit. MTI has locations in Minneapolis, Alexandria, Bemidji, Duluth, Hutchinson, Moorhead, Owatonna, Rochester, and St. Cloud.

MTI provides the following six key consulting services:

- | | |
|----------------------|---------------------------|
| E-Business/IT | Product Development |
| Lean Enterprise | Sales & Marketing |
| Strategic Management | Human Resource Management |

Within the last few years, the following outcomes have been achieved:

- 1,100 Minnesota companies received critical business assistance
- These companies realized a positive economic impact of \$27.5 million to their bottom line in increased sales, reduced production costs, and improved employee utilization.
- They also invested \$25 million in new technology
- Over 7,300 MN companies became better informed about technology and trends because they had direct contact with our technology publications and events.
- More than 1,430 jobs have been created or retained.

Neighborhood Development Center

The Neighborhood Development Center (NDC) is a nonprofit organization that recognizes the entrepreneurial talent and energy in inner-city neighborhoods as a critical resource to community revitalization. NDC's goal is to build and anchor businesses in inner-city communities to create jobs, fill storefronts, and generate a renewed sense of economic vitality. NDC partners with 18 neighborhood and ethnic-based organizations to provide entrepreneur training, financing, management consulting and business incubation space in the low-income neighborhoods of Minneapolis and St. Paul (listed below).

Minneapolis Service Area: Phillips, Ventura Village, Whittier, Cedar-Riverside, Seward, Near North, Sumner-Glenwood, Harrison, Willard-Hay, Jordan, Hawthorne, McKinley, Folwell, Cleveland, Victory, Camden, Shingle Creek and Lind-Bohamon.

St. Paul Service Area: Payne-Phalen, North End, Frogtown, Summit-University, Hamline- Midway, Dayton's Bluff, Mounds Park, and District Del Sol.

To qualify for participation, an applicant must live in or operate a business in one of the NDC targeted neighborhoods.

The Neighborhood Development Center has business incubation centers at the following locations

- Cooperativa Mercado Central, East Lake Street, Minneapolis
- Plaza Verde, East Lake Street, Minneapolis
- Midtown Business Center North, Dale Street, St. Paul
- Midtown Business Center South, University Avenue, St. Paul
- New development site, Payne Avenue, St. Paul

Average rental rates are approximately \$1.78 per square foot.

The agency has served over 600 businesses since 1993

Northside Resident Redevelopment Council

The Northside Resident Redevelopment Council (NRRC) empowers residents of the Near North/Willard-Hay neighborhoods in North Minneapolis to be agents for social, economical and standard living improvements. The nonprofit agency has existed since 1969. The NRRC's primary goal is to bring about social changes which foster self-determination and empower residents to become actively involved in the community.

As the neighborhood's community development corporation, NRRC partners with residents, local businesses, community organizations, local, state, and federal government agencies, and lending institutions on housing and economic development projects.

Phillip's Community Development Corporation

The Phillips Community Development Corporation (PCDC) helps community residents and small business owners achieve economic self-sufficiency and aid in initiatives for redevelopment of the Phillips neighborhood.

To accomplish its community development mission, PCDC operates two major programs: The Phillips Job Bank and the Phillips Economic Development Program. The Job Bank assists unemployed community residents and others in obtaining meaningful jobs and in becoming self-sufficient and productive members in the community. The objective of the PCDC Economic Development Program is to develop a network of community-based and resident operated businesses to help build the local economic base, increase job creation and re-circulate community resources to strengthen the neighborhood.

Small Business Development Centers

Small Business Development Centers (SBDCs) provide high quality business and technical assistance, counseling and training to prospective and existing small business owners. SBDCs are sponsored by the SBA in partnership with the Minnesota Department of Employment and Economic Development (DEED), and the colleges, universities, and other organizations where SBDCs are located.

The Minnesota SBDCs provide one-on-one counseling and group training seminars on management topics to small businesses throughout the state. Counselors help new and growing businesses in the areas of business planning, financial analysis, loan packaging and marketing of their companies. Counseling is customized to meet the needs of the client. There is no charge to the client for counseling services. The University of St. Thomas currently holds the contract for SBDC services within the metro area (see University of St. Thomas, below).

U.S. Small Business Administration

The SBA offers free counseling and technical assistance, pre-business and business planning workshops, and information on starting and managing a small business are offered through SCORE. Free counseling services are also available through a network of Small Business Development Centers (SBDC). The SBDC does also conduct numerous training events throughout the State. Some require a nominal registration fee. Two Women's Business Centers (WBC's) in St. Paul and Fosston, MN, provide counseling and training services to women thinking about starting a business and women already operating a business

In addition, the SBA sponsors the following programs.

- **Business Development** - The 8(a) Business Development Program was created to assist socially and economically disadvantaged business persons to gain access to the resources necessary to develop and improve their ability to become independently competitive in the marketplace. Counseling services are offered through district offices and SBA partners.
- **Financial Assistance** - The local District Office provides a full range of loan programs. The Minnesota District Office assists hundreds of small businesses each year by providing financial assistance through the 7(a) guarantee and 504 loan programs. Working with a qualified lending institution, the maximum loan guarantee for one business or individual is \$1,000,000. Proceeds can be used to purchase machinery and equipment, real property, inventory, and/or to purchase an existing business. Terms can be up to 25 years, depending on the use of loan proceeds. Interest rates may vary depending on the size and term of the loan.

University Enterprise Laboratories, Inc.

The University Enterprise Laboratories (UEL) began operations in 2005 to create an entrepreneurial environment for early stage bioscience companies, including corporate spin-offs. The UEL is a collaborative research center providing lab and office space particularly in industries which rely on biosciences including agriculture, health care, medical devices and equipment, and pharmaceuticals. Bioscience companies are offered flexible leasing options for office and lab space, reduced development costs through shared resources, synergies with other incubator companies and academic researchers, and business development support.

University of St. Thomas - Small Business Development Center

The Center, founded in 1981, is part of the John. M. Morrison Center for Entrepreneurship and the College of Business. The St. Thomas SBDC is a partnership program with the US SBA under Cooperative Agreement 2-603001-G-0024-13 and operated through Minnesota's Department of Employment and Economic Development. The St. Thomas SBDC considers eligible businesses to be: For-profit, less than \$20 million in annual revenues, or fewer than 100 employees and located in the seven county metro areas (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties). In 21 years, over 10,000 small businesses and entrepreneurs in the Twin Cities area have benefited from the services offered by the University of St. Thomas Small Business Development Center (SBDC).

The Center provides free one-on-one business consulting and sponsors moderately-priced seminars plus networking opportunities for small business owners and entrepreneurs. Typical client requests include assistance with strategic business plans, market research, financial planning and analysis, loan packaging and cash flow management. Consulting engagements shall stay open for as long as both parties feel worthwhile progress is being made, but the working relationship may be limited by consulting team's time constraints and ongoing demand for the SBDC's services.

Whittier Community Development Center

Whittier CDC is a non-profit organization working to strengthen the economic vitality, social fabric, and diversity of the inner-city. It works collaboratively with other nonprofit organizations to spur private investment in real estate and support for small business development. It supports other nonprofits working to improve the quality of life within the Twin Cities metro Area in an effort to build a better community.

Established in 1984, Whittier CDC houses nineteen emerging businesses within 54,000 sq. ft. along Harriet Avenue in Minneapolis, has developed a center along the Lake Street Corridor and is evaluating the development of 100,000 square feet of space for professional service business along West Broadway in North Minneapolis.

The CDC provides property management, bookkeeping, financial, and consulting services. Whittier also is able to offer a loan programs on behalf of the SBA.

Women Venture

Women Venture has helped 70,000 women and men achieve their career goals since 1978. As a non-profit agency, Women Venture is committed to helping businesses systematically plan, identify resources, and carry out your career and business goals. The main solutions they offer are: one-on-one consulting, Planning to Succeed workshops and training. Loans are also available to those who qualify. Since 1991 Women Venture has helped hundreds of women launch careers in traditional and non-traditional careers. Many women who complete JITT training are able to successfully move from welfare to work. In fact, many women double their earning potential, landing jobs that pay 50% more than their prior position. In addition to hands-on manual skills training and on-site work experience, the five-week JITT curriculum also includes training in financial management, personal empowerment, math, conflict resolution, and other skills essential to working in this high-paying field. Women Venture works with all JITT graduates to find and retain a good-paying job in their chosen field. New in 2004 is Job Advancement Retention Program for women already working in the trades.

University Center for Economic Development
Models for Entrepreneur Assistance & Development Considerations

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Introduction

Small businesses are a powerful force in local economic development. To assist in the start-up and development of new small businesses, many organizations offer assistance. These organizations have profound and varied impacts on economic development from creating successful entrepreneurs in low-income communities or the commercialization of new technological innovations. The role of universities in business assistance has predominantly involved assisting the research and development (R&D) of new product innovations in particular industries such as biomedical or information technology. However, the emergence of new economic development programs in the area of microenterprise or place-based focused, rather than industry focused, can now be observed among universities around the country. This paper provides a review of three different program models that are used to assist small business entrepreneurs attempting to enter the market: namely business incubators, microenterprise centers and research clusters. A review of strategic considerations will provide the reader an understanding of the key assessment and decisions that will need to be undertaken in developing a business plan. In short, the multifaceted and varied nature of economic development programs requires that any organization seeking to develop a program to start by first by establishing a clear set of goals associated with the program.

As part of the University Northside Partnership (UNP) vision, the Office for Business & Community Economic Development (OBCED) is working to establish the University Center for Economic Development (UCED) in North Minneapolis. The Center's goal will be to promote economic growth and expansion, and innovation and increased productivity in these neighborhoods. The Center will also serve as a clearinghouse for information, a gathering place for education and networking, and a laboratory for innovation, technology transfer and research. Services to be provided by the UCED that are currently being considered include: a business incubator, student entrepreneurship program, technical and management assistance to nonprofits and small businesses, and seminars/classes in finance and business management.

Entrepreneur Development: One Goal, Many Methods

Business assistance programs are able to create opportunities and spur economic development through a number of different methods. The primary distinction that can be made between the different types of programs is those employing business assistance as a tool for local community development and those using business assistance as a tool to commercialize new innovative technologies. Although these results are not necessarily mutually exclusively, the number of entrepreneurs assisted, the effect of the program on reducing poverty, the advancement of science based research and other outcomes mark a significant difference in the type of impact these two approaches produce. Below, the three prevailing methods of small business assistance are discussed- incubators, micro-enterprises and research clusters.

Small Business Incubators

One of the more popular techniques to help entrepreneurs and start-up business firms survive their early years and grow and prosper in the community is the small business incubator. The small business incubator is a physical facility, which provides various sizes of offices or office suites, warehousing and manufacturing space, common loading docks, shared board/meeting space, kitchen facilities and a common reception area. The incubator provides a receptionist to greet visitors and to assist tenants in using a shared copier, fax, and audio-visual equipment and often times computers. The incubator manager assists tenants in preparing business plans, securing financing, business counseling and management advising. Tenants are expected to graduate from the incubator within a reasonable time frame to allow

others to use the service. The incubator recoups costs by charging reasonable lease rates and fees and charges for the use of specialized services and equipment.

In New York, a state with an extensive network of university, the term “academic incubator” is defined by state law as something that provides low-cost space, technical assistance, support services and educational opportunities, including but not limited to central services provided by the manager of the facility to the tenants of the facility, to an entity located in New York state. To be defined as an academic incubator — which is necessary for an incubator tenant to receive certain tax credits — the academic incubator facility and the entity must act in partnership with an accredited post-secondary college or university located in the State. An academic incubator facility's mission shall be to promote job creation, entrepreneurship, technology transfer, and provide support services to incubator tenants, including, but not limited to, business planning, management assistance, financial-packaging, linkages to financing services, and coordinating with other sources of assistance (<http://www.nystar.state.ny.us/incubators.htm>).

The Role of a Facility

- Enhance the image of the client’s business
- Provide an environment for stimulating interaction between clients
- Allows for the timely identification of needs and mobilize solutions
- Reduce the time and cost associated with starting up a new venture

Source: NBIA Research Series *Best Practices In Action*, 2001

Many university economic development programs operate as an umbrella for various centers and thus coordinate the technical assistance, applied research and/or training services offered to small businesses. A comprehensive economic development program of this sort is the Southern Illinois University Carbondale Office of Economic and Regional (SIUC). One program, the Southern Illinois Entrepreneurship Center, located in the Southern Illinois Research Park, is a regional hub for coordinating entrepreneurship development activity, building on the infrastructure of the Small Business Development Center Network (SBDC) and five other centers to offer business assessments that identify gaps and limitations in the client's current operation, provide business coaching services to assist clients in developing professional funding pitches for investor meetings, provide advanced financial assistance and planning including determining capital needs and making investor introductions, provide targeted accelerated services for clients that have high growth potential, host quarterly Entrepreneurial Networking Forums for clients to pitch their business idea

The SIUC Small Business Incubator hosts five tenants and is staffed by one manager who provides day to day business assistance and connects tenants to the necessary resources. Among the business services offered are business coaching, peer to peer networking, mentoring access, flexible lease terms, Southern Illinois Research Park linkage, business planning, start-up/expansion assistance, resource networks, meeting room space, member of the National Business Incubator Association and high speed internet access. The Small Business Development Center also offers free classes geared toward start-up entrepreneurs and curriculum includes developing a business plan, how to start a business while also offering paid classes on QuickBooks financial software (<http://www.southernillinois.biz/faqs.php#q1>).

Other university small business incubators involve a partnership between the university and a governmental or local economic development organization. In Maryland, Towson University through its Division of Economic and Community Outreach (DECO) is in the process of establishing a University based incubator near Baltimore. Towson University is partnering with Baltimore County Department of Economic Development in this incubator project and is looking forward to strengthening its ties with the business community through this and other initiatives. This incubator will house start-up companies in order to assist in their business development.

The use of student interns is a common element of university incubators. A majority of these students are in graduate level business, science, engineering or other related fields. Supervision and motivation are two important factors in successfully utilizing students in business assistance efforts. Students are either paid, obtain credit or both, and clients obtain low-cost consultants.

Many universities do not offer an incubator facility but instead offer business assistance. The Northern Center for Community and Economic Development is a joint project between the University of Wisconsin-Superior Extension services and the Department of Community Economics that receives funding from the Small Business Administration (SBA) to provide technical services to small businesses. Also offered is the Entrepreneurial Training Program. The course "Get Moving in Your Own Business" is a business planning course developed for existing businesses, start-up entrepreneurs and people who are thinking about opening a business. Courses run for 9-weeks from 6:00 pm to 9:00 pm on a weekday evening

The majority of incubators operating in central cities tend to be operated by nonprofit community development corporations (CDC). In Minneapolis/St. Paul the Neighborhood Development Center (<http://www.ndc-mn.org/>) operates four incubators at which it provides funding, training and ongoing consulting to Hispanic, Somali and American entrepreneurs. Its newest incubator, the Plaza Verde incubator located at 1516 East Lake Street offers 43,000 square feet on four floors. The Neighborhood Development Center (NDC) was the lead developer for the project, which had a total cost of more than \$4.3 Million. This project is the first in Minnesota to leverage New Markets Tax Credits (NMTC) and the Historic Rehabilitation Tax Credit, which will be used by Wells Fargo Bank and Wells Fargo CDC, in return for an equity investment from Wells Fargo CDC and loan from Wells Fargo Bank. In addition, gap financing was secured from the City of Minneapolis, Minneapolis Empowerment Zone, Midtown Phillips NRP, Partners for the Common Good, Northwest Area Foundation, Met Council Tax Base Revitalization Fund, Pohlad Foundation, and Piper Jaffray.

Each NDC incubator offers a unique space to its tenants. The Midtown Business Centers offer standard office space with part-time reception desk, a kitchen, storage space and a keyless entry security system. The Mercado Central is geared toward ethnic food services and hosts multiple restaurants, temporary space for daily, weekly and month based leases. These facilities do not market computer, copier or other office infrastructure as part of rent. Rent for these incubators ranges from 65¢/SF to \$1.77/SF depending on features such as windows and carpeting. Storage space is offered at 91¢/SF.

In addition to subsidized space, NDC offers Minneapolis entrepreneurs a 16-week Micro Enterprise Training Program and a number of different funding programs including the Micro-Enterprise Loan Program, Profit-Based (Islamic) Financing Program, Minneapolis Empowerment Zone Financing and the Emerging Businesses / Emerging Neighborhoods Program. Ongoing support to entrepreneurs includes marketing, merchandising, financial record-keeping, credit repair, retail management, restaurant layout, design & management, legal assistance, business operations, food production and sales advice. In addition to NDC there are also a number of culturally specific CDCs that serve MSP such as the African Development Center and Latino Economic Development Center. All incubators operating in Minneapolis are featured in the appendix.

Microenterprise

A **microenterprise** is a self-started, very small business that is embedded in the community. The American Enterprise Organization and the microenterprise development industry have defined a

microenterprise as a business, typically one individual or less than ten, which requires \$35,000 or less in start up capital, and which does not have access to the traditional commercial banking sector (<http://www.microenterpriseworks.org/about/whatis.htm>). In addition to economic development, microenterprises are seen as an effective community development tool embracing poverty alleviation and human development strategies.

Typically offered by nonprofit organizations, the services available to micro-entrepreneurs include one or more of the following services:

- **Microloans** of \$35,000 or less to start or expand a business;
- **Training** through a variety of methods such as classroom style, one-on-one consultation, and others;
- **Technical Assistance** to assist with the technical aspects of business ownership, such as writing a business plan, registering a business, applying for a loan, filing taxes, etc.;
- **Access to Market Services** to help reach new and expanded customers for the product or service offered;
- **Asset Development Services** to help save for the future and build assets

Many of these services mirror those of incubator programs but two important distinctions exist. First, no facility or the related office services are offered to clients. Second, microenterprise programs have the unique capacity to be coupled with community development strategies aimed at increasing economic self-sufficiency and assets among low-income individuals. A significant amount of research has been conducted by the Fund for Innovation, Effectiveness, Learning and Dissemination (FIELD), a project of the Aspen Institute (<http://fieldus.org/Projects/training.html>) to track these impacts. A 1999 study entitled *Microenterprise and the Poor* found that of the 133 poor clients that participated in a microenterprise program facilitated by a health and human services organization, 72% increased their income over five years by an average of \$8,484, from \$13,889 to \$22,374. Poor clients were defined as those with household incomes 150 percent of the poverty line. In the same study conducted by Self-Employment Learning Project (SELP), reliance on public assistance was decreased by 61 percent showing a strong ability to serve as a process out of poverty (<http://www.microenterpriseworks.org/about/factsheets/factsheetshome.htm>). By generating new economic activity, microenterprises also increase public tax revenues and private incomes, thereby reducing dependence on public assistance, which helps to shrink public budgets. Industries that have seen the growth of microenterprise include: specialty foods, jewelry, arts, crafts and gifts, clothing and textiles, furniture, computer technology, daycare, environmental products and services.

Research Clusters

Research Clusters are most often affiliated with a university bio-medical or advanced research based program. Research clusters focus not on economic development like incubators, even though the companies will probably have an impact on the economic development of the area, but instead operate as a venture capital firm to assist entrepreneurs in further developing their product and bringing it to the market as soon as possible. Referred to as "technology transfer" programs, these office parks serve to commercialize federally and university developed technologies. These programs focus on helping a select group of companies mainly in a particular sector or industry that are typically venture backed or on track to be venture funded, and have a very high growth potential, where time to market is critical. (Examples include: Telecom, Software, Sensor Network, Medical/Biotech, Nanotech and Semiconductor industries) These companies don't need incubation to survive, they need support to accelerate their growth.

Strategic Considerations for Developing an Incubator Model

Starting a business incubator should undergo the same feasibility assessments that any regular business undergoes. Determining if entrepreneurial conditions exist in the community, determining if the market can absorb additional businesses and understanding if the services of the incubator are needed are all part of a feasibility study. Key assessments for the University will be determining its own capacity to commit not only financial resources, but the expertise of staff and faculty that can effectively deliver small business development programs to chosen neighborhoods or industries.

The two primary categories that must be assessed during incubator development are reviewed in this section. The first basic feasibility as is associated with any business startup. This involves assessing the market for the product and the conditions necessary for success. The second category of consideration has to do more specifically with the operation and program development of the incubator. This begins to deal with the question of “what level of resources will be committed to the incubator and what entrepreneur group do we want the incubator to serve?”

Assessing the feasibility of an incubator start-up involves six basic steps prior to development. These steps are adapted from the Oklahoma Cooperative Extension Service: “Small Business Incubators: Potential Local Economic Development Tools” and summarized below. A more detailed description of individual costs associated with a small business incubator model, and a profile of other small business incubator programs is included in the appendix.

Conduct a Market Analysis

An accurate market analysis is the keystone to the development of the incubator. The market analysis identifies potential tenants and the demand for an incubator and the services which it provides. If it is done accurately the analysis will help to define the needed incubator facility and its services. This is done by measuring the size and needs of the market. Size of the market will determine if there is sufficient demand for the construction and ongoing operation of the incubator. The specific needs of the market can mold the services and programs of the incubator.

Select an Incubator Site

The incubator site plays an important role in the success of an incubator. Depending on the decision to renovate an existing facility or to build a new one, the site selection process should occur based on the convenience to potential tenants and their customers. An incubator site should be attractive and project an image of success. The decision to renovate or build a new facility should match the incubator’s goals as well as the needs of the market and community. Renovated facilities are typically cheaper per square foot than new facilities. Typically, renovated facilities are aimed at providing affordable space. New facilities are designed to focus on the provision of support services. If a community has a large potential clientele and thus, a large demand for inexpensive space, a renovated facility will best service this need. On the other hand, if a community does not have an obvious client pool, thus less of a demand for space, a new facility might be better suited. Site selection based on proximity of the incubator to vocational-technical schools or other institutions is also an important consideration.

Facility Design

Once a facility site and building are selected it is important to review the design of the facility for convenience factors. Convenience factors are arrangements in the building itself. Important factors include the location of corridors and loading docks. Tenants should have easy access to loading facilities. Location of office services, incubator personnel, and other services are also

important to operation by the tenant. Facilities should be designed for easy occupation by a variety of tenants. Design often incorporates two categories of office space, small suites of 150-400SF to accommodate individual entrepreneurs and large suites of 1500-3000SF to accommodate growing firms. The Cincinnati BIO/START incubator manager closely studied potential client needs before deciding to a mix of spaces that ultimately led to five offices of 100SF, eighteen wet labs of 450-1,100 SF, for dry labs of 450-800SF and six additional labs of 100SF. Shared conference room space, secretarial services, fax/copier room and shared restrooms all require thoughtful design to maximize efficiency. Ease of adaptability of tenant space is important to reduce the downtime facing a tenant who is moving into the incubator. Incubators properly designed allow easy access to tenants and their customers as well as room for businesses to expand and reorganize. All of the factors dealing with the move into and operation of the business within the incubator should be reviewed prior to construction or renovation.

Selection of Support Services Offered by the Incubator

What will the incubator offer to potential clients other than inexpensive space? Determination of the type and range of services is important. Incubators must be prepared to cater to the needs of several types of potential clients. Also, incubators should consider how these services are to be financed. Will tenants pay for these services or will the incubator sponsor pay the provisions? Part of the financial planning for services needs to include the possible subsidizing of these services. Some incubators subsidize their services to further relieve the financial burden placed on their tenants. The funding source for this subsidy should be incorporated into the service plan and can include grants from various government agencies, corporate donors and philosophic organizations. Contracting services from other organizations should also be considered as a viable option to program delivery. The type of services desired by potential clients is an important part of the market analysis.

A survey of incubator managers, tenants and graduates found the three most important services for each group are as follows:

Managers

1. Management assistance
2. Duplicating
3. Machinery and equipment

Tenants

1. Management assistance
2. Machinery and equipment
3. Duplicating

Graduates from the Incubator Program

1. Management assistance
2. Duplicating
3. FAX

Funding limits the level of services incubators provide. This further emphasizes the need to plan for the funding of the services so the incubator can efficiently service their tenants.

Program Development Considerations

The diversity in incubator models and outcomes requires that the first step is to determine basic goals for the program. The two primary considerations necessary to review during program development are listed below. The overall resource commitment required to operate the programs of the incubator will be determined by the level of the university's involvement in the three components of small business support which are:

- Business capital
- Technical assistance and training programs
- Facility with reduced operating expenses

Resource Commitment

- *Business Capital.* Support to entrepreneurs must include connecting them to traditional or untraditional financial resources. Key considerations are:
 - Provide direct financial support to entrepreneurs;
 - Assist in grant and loan applications;
 - Connect tenants to established microenterprise funding or venture capital groups operating in the metro area or known to the university.
- *Technical Assistance.* Having a team of capable program managers is likely the most important element of a success program. Key considerations are:
 - The availability of university staff and faculty to provide ongoing support to the incubator's programs;
 - The ability of university staff and faculty to provide culturally and industry appropriate services;
 - In-house vs. consultant based business training and assistance. The university must be able to deliver culturally appropriate training to entrepreneurs. Likewise, formal partnerships with other community organizations is a likely requirement for success.
- *Reduced Operating Expenses* The operating needs of entrepreneurs will vary depending on the program being industry or community specific in its programs. Key considerations are:
 - How many square feet can be made available to tenants and is the space flexible enough to accommodate expanding businesses;
 - What sort of on-site resources and equipment will the facility provide and what types of business can be served: general office equipment including computers, full laboratory equipment, and retail/restaurant/commercial space.

The second strategic area for goal setting is determining what entrepreneur group the incubator will serve. Although most programs operate while embedded in a community with an objective of increasing the skills and opportunities for individuals in that area, programs also exist to advance a specific industry and are therefore embedded not in a community but rather in a research and funding network that can support that work. It is difficult to employ a dual strategy that supports entrepreneurship in a specific place while also seeking to compete in a particular industry because the skills and interests of local entrepreneurs will not necessarily correspond with the target industry.

Potential Entrepreneurial Focus

- *Target industry* (healthcare, medical, technology). Each industrial focus has very different needs in terms of the type of facility and the amount of technical assistance they need to be successful and develop marketable products. The level of capital required to assist a new business also varies widely by sector.
- *Business stage* (start-up and/or second-stage growth business). Depending on the stage of growth, incubator programs serving tenants will focus more or less heavily on one of two programs: entrepreneurial training or business assistance.
- *Growth potential* (jobs versus wealth creation). Often incubators use the potential for job creation as the primary criteria for assistance. This should be seen as distinct from incubator programs that focus on product development in emerging markets.
- *Place based programming* (local versus regional talent recruitment). Some business incubator programs employ an economic development strategy that draws on regional and even national entrepreneurial talent. This is most common among technology oriented incubators that rely on highly trained individuals and frequent infusions of venture capital. A different incubator strategy works to foster local economic development by tailoring programs oriented toward the skills of the entrepreneurs in that community.

General Incubator Goals:

Encouraging minority or women entrepreneurship

Revitalizing a distressed neighborhood

Diversifying local economies

Building or accelerating growth of a local industry

Generating income and benefits for the sponsoring organization/company

Retaining businesses in the local community

Enhancing a community's entrepreneurial climate and the value it attributes to entrepreneurship

Source: NBIA Best Practices, 2001

Conclusions

The assistance offered by small business development programs can vary widely. As a result a multitude of programs have been employed to develop successful businesses. Ultimately the strategy used and programs employed will depend on the unique expertise of the organization's staff and the level of resources at the programs disposal. When assessing the technical assistance the university is able to provide, the incubator's location will largely determine the level of access tenants have to university resources such as laboratories and the business schools. Access to expertise and university resources will determine what programs are appropriate. Thus, careful consideration is required to determine what type and at what level economic development expertise from the university can be successfully exported from campus to North Minneapolis.

It is of up-most importance the university not consider itself alone in undertaking economic development programs in placed-based incubators as community involvement is critical. Within the Twin Cities market, several organizations exist, offering microenterprise and incubator functions. Since the University of Minnesota is considering placement in North Minneapolis, the university is required to develop a strategy that attracts North Minneapolis partnerships, develop a strategy where the incubator operates its own independent business assistance programs or develop partnerships that create a combination of the two. Making this determination is a critical part of implementing the programs within the incubator.

Determining an industry-specific economic development strategy for a locality requires further analysis and is documented under separate cover. Among the considerations to be assessed are: what industries exist in the community and obtain inputs locally? Does the community currently possess the business expertise to compete in this market? Does capital exist to support new business ventures in this area?

Appendix I: Individual Revenues and Expenses Associated with an Incubator

Expenses

Staff: Incubator Executive Director or CEO for early stages of program development to hire the management team and recruit a board of directors for the incubator. A competitive salary is necessary to retain the talent necessary to sustain a successful incubator. Base salaries for incubator directors range from \$50,000 to \$100,000, excluding benefits.

Incubator Receptionist (FT or PT)

Incubator Manager (FT)

Rent: New or renovated space works but budgeting for design is important.
Total square footage available to each tenant varies but can be estimated at 192 SF per tenant employee. Storage space should be offered

Infrastructure:

On-site security system, video cameras and 24 hour keyless entry,
Telephone and telephone service
Computer for each tenant
High speed internet access
Workstation walls
Furniture (desk, chairs, cabinet, phone w/individual phone number)
Fax machine
High quality color copier
Customer and client parking

Misc. Ongoing Monthly Expenses:

Marketing budget
Consulting fees: The delivery of culturally appropriate instruction from consultants with successful entrepreneur experience in the community often requires outside talent.
Utilities
Janitorial Services

Revenues

Rent: Some incubators rely on rent for a significant portion of their long term income. Depending on local real estate markets rent per square foot will vary. MSP incubators currently offer large spaces of around 2,900 SF for under \$1/SF while smaller office suites of 300+ SF are offered at \$1 40/SF.

Parking space: Individual parking spaces could be leased separately from the suite.

Services: Classes offered range from \$30-\$60 with revenue depending on enrollment.
Business services such as taxes, webpage design and incorporation can be offered at a modest cost to tenants.
Office materials such as business cards, note pads etc can be sold to tenants.

Grants:

Federal Grant Sources: (http://www.cfed.org/imageManager/documents/2006_Budget.xls)

- PRIME (Program for Investment in Microentrepreneurs)
- Small Business Administrations Microloan Program
- Women's Business Centers (Office of Women's Business Ownership)
- CDFI Fund (The Community Development Financial Institutions Fund)

State Grant Sources:

CDBG funds for entitlement and non-entitlement communities, welfare-to-work funds and workforce Investment Act Funds are all available in MN as of summer 2005.

Corporate and Philanthropic Sources:

These are among the corporate foundations actively funding incubators and small business assistance programs in Minneapolis and St. Paul:

- | | |
|---|--|
| American Express, | Office of Refugee Resettlement, |
| Carl and Eloise Pohlad Family Foundation, | Otto Bremer Foundation, |
| Catholic Campaign for Human Development, City of Minneapolis, | Payne-Lake Community Partners, |
| City of Saint Paul, | The Jay and Rose Phillips Family Foundation, |
| Bush Foundation, | Piper Jaffray, |
| First Universalist Foundation, | Pohlad Family Foundation / United Properties, |
| Ford Foundation, | Small Business Administration, |
| F.R. Bigelow Foundation, | St. Paul and Bigelow Foundations, |
| Greater Twin Cities United Way, | St. Paul Travelers Foundation, |
| Grotto Foundation, | Smith Partners, LLP, |
| HECAT (Homeownership Education, Counseling and Training), | Twin Cities Metro Certified Development Company, |
| Heron Foundation, | Twin Cities LISC, |
| Hewlett Packard Company, | Twin Cities Pilot Cities Initiative, |
| Marquette Financial Companies, | Urban Initiatives Program - State of Minnesota, |
| McKnight Foundation, | US Bankcorp Foundation, |
| McNealy Foundation, | Valspar Foundation, |
| Minneapolis Empowerment Zone, | Wells Fargo Bank, |
| Minneapolis Foundation, | Western Bank, |
| Minnesota Mutual, | Xcel Energy Foundation |

National funding opportunities exist with the Kauffman Foundation's "Urban Entrepreneur Partnership" designed to encourage minority entrepreneurship through economic development centers that it intends to rapidly establish throughout the nation.

Appendix II: Established Minneapolis Incubator Organizations & Microenterprise/Small Business Assistance Organizations

Association of Minnesota Micro Enterprise

763 Hoyt Ave E
St. Paul MN 55106
612-963-0467
Interim ED: christy@christyjames.com
<http://www.amme-mn.org/index.htm>

Program Description: AMME is a coalition of organizations that provide technical assistance and programs to help emerging businesses develop and grow. Our members include:

Microenterprise programs	Utilities
Financial institutions	Advocacy groups
Government agencies	Community-based organizations and individual

Department of Employment and Economic Development (DEED) Minnesota Small Business Assistance Office (DEED)

1st National Bank Building
332 Minnesota Street, Suite E200
St. Paul, MN 55101-1351
Contact: Charles Schaffer
Telephone: 651-296-5012
Toll Free: 800-677-3555
FAX: 651-296-5287
E-Mail: charles.schaffer@state.mn.us
Website: www.deed.state.mn.us/bizdev/smallbus_assist.htm

Program Description: Small Business Assistance Office. To be a point of contact within DTED for counsel and assistance with issues related to the start-up, operation, or expansion of a business in Minnesota. The Office administers the federal Small Business Development Center program to provide additional counseling and training to small businesses.

7 Staff: Mike Myhre, - SBDC Director, Millie Caballero, Madeline Harris, Al Kelly, Mark Simmer, Diane Henry and Melody Randle.

Target Market: Generally, small businesses are defined as any for profit entity with 20 or fewer full-time employees or with gross annual revenues of no more than \$1 million in the preceding fiscal year. SBDC's uses the federal definition.

Services: The Office seeks to provide timely and accessible information to small businesses in Minnesota. The Office publishes information on topics of interest and value to small businesses, offers

workshops and seminars on such topics, and provides direct counseling and assistance to individual inquiries. In-house staffs focus attention on tax, regulation, industry structure and competition issues. The SBDC's provide counseling primarily in the areas of business planning, marketing, financial analysis and loan packaging. A listing of workshops and publications are available by contacting the Office.

Accomplishments/Items of Special Interest: Over 12,000 inquiries are received annually, typically by telephone, and more than 50,000 publications are distributed each year. SBDC's provide over 35,000 hours of counseling to 3,500 clients and over 100 training programs annually.

Urban Initiative Program (DEED)

Minnesota Department of Employment and Economic Development
1st National Bank Building
332 Minnesota Street, Suite E200
St. Paul, MN 55101-1351

Contact: Bart Bevins, Loan Officer

Telephone: 651-297-1170 or toll-free: 800-657-3858

FAX: 651-284-0088 TTY: 651-296-3900

E-mail: Bart.Bevins@state.mn.us

Website: www.deed.state.mn.us/programs/urbaninitloan.htm

Program Description: Urban Initiative Program. To assist minority owned and operated businesses and others that will create jobs in low income areas of the Twin Cities. Urban Initiative Board has entered into partnerships with several local nonprofit organizations, which provide loans and technical assistance to start-up and expanding businesses. Contact DTED for listing of organizations.

Target Market: Eligible businesses include women and minority-owned businesses creating jobs for low income people in Minneapolis, St. Paul, Hopkins, Columbia Heights, Hilltop, South St. Paul, West St. Paul, St. Anthony, Mendota and Lauderdale.

Services: A project must demonstrate potential to create jobs for low income people; must be unable to obtain sufficient capital from traditional private lenders; and must be able to demonstrate the potential to succeed. Start-up and expansion costs may be financed, including normal expenses such as machinery and equipment, inventory and receivables, working capital, new construction, renovation, and site acquisition. Financing of existing debt is not permitted. A limited amount of technical assistance grant funds is available. Nonprofit partners accept applications on an on-going basis.

Loan Fund: The maximum total loan available through the Urban Initiative Program is \$300,000. The state may contribute 50% of the loan up to \$150,000. Retail businesses, may apply for up to \$10,000 in state funds. Each dollar of state funds must be matched by at least an equal amount of private funds. Generally, this match is provided in loan through the participating nonprofit partner. Interest rate between 2% and 10% may be charged. Terms are consistent with other sources of project financing. Each nonprofit has authority to determine specific interest rate and collateral requirements.

Accomplishments/Items of Special Interest: Since 1995, the Program has made a total of over 250 loans, disbursing more than \$4.4 million in state funds.

Metropolitan Economic Development Associations (MEDA)

Commerce at the Crossings

250 Second Avenue South, Suite 106

Minneapolis, MN 55401

Contact: Jim Faricy, Business Consultant

Telephone: 612-332-MEDA (6332)

FAX: 612-317-1002

E-Mail: jfaricy@meda.net

Web Site: www.meda.net

Program Description: MEDA is a nonprofit organization that is funded by area corporations, foundations, State of Minnesota, businesses and individuals. MEDA was created in 1971 to help build profitable ethnic minority-owned businesses that create jobs, pay taxes and whose owners become role models and leaders in the community. MEDA is an approved technical assistance provider through the SBA Community Express Program and the SBA's Prequalification Program.

Services (multilingual): MEDA Business Development Center (MBDC): For start-up and expanding businesses, the MBDC provides one-on-one consulting as well as management and technical assistance in a wide variety of areas including: Business Plan Development, Financial Planning & Analysis, Loan packaging, Marketing Assistance, Strategic Planning & Operations Management

The Priority Program: The Priority Program focuses on helping minority companies that are beyond the start up phase to become viable, competitive businesses. Services include: Training & Development, Crisis Management, Competitive Analysis, Market Research, Financial System Review
The Pacesetter Program: The mission of the three-year Pacesetter Program is to accelerate the growth and maximize the profits of a select group of high-potential minority entrepreneurs by offering: Business Assessment, Strategic Planning, Business Plan Implementation, Executive Development Training

Loan Funds: A financial program designed to provide short-term loans with consultation on financial controls and analysis to eligible minority businesses. Working capital, equipment, acquisition, and project loans. Loan sizes range from \$25,000 to \$400,000 and average \$135,000 with a total lending capacity of \$12 million. These funds are part of the Urban Initiative Fund (UIF) strategy targeting specifically designated inner city locations. Loan funds are provided in partnership with the State of Minnesota and five commercial banks (Associated Bank Minnesota, M&I Bank, TCF National Bank Minnesota, U.S. Bank and Wells Fargo Bank Minnesota).

Minneapolis Consortium of Community Development (MCCD)

3137 Chicago Avenue

Minneapolis, MN 55407

Contact: Jim Roth, Consortium Executive Director

Telephone: 612-789-7337

FAX: 612-822-1489

Web Site: www.mccdmn.org

Program Description: The Minneapolis Consortium of Community Developers is an association of nonprofit community development organizations whose common purpose is to expand the wealth and

resources of neighborhoods to ensure that all residents are able to fully meet their life needs. To help fulfill that mission, the consortium operates three (3) loan programs.

Neighborhood Development Center (NDC)

651 1/2 University Avenue

St. Paul, Minnesota 55104

Contact: Mara O'Neill OR Mike Temali, Director

Telephone: 651-291-2480

FAX: 651-291-2597

E-Mail: mara@windndc.org OR mihali@windndc.org

Web Site: www.windndc.org

Program Description: The Neighborhood Development Center was established in 1992 to help bring innovative and effective economic development initiatives into the inner-city communities of St. Paul and Minneapolis. Our ultimate goal with these programs is an improvement in the local economies of the low-income communities in the Twin Cities, by and for existing residents and businesses. Our technique is to look for economic growth to come from within each community, and for local community groups to be the ultimate catalyst of this growth, with NDC's assistance. To that end, NDC operates the Neighborhood-based Micro Entrepreneur Training and Loan Program, the Ethnic-based Micro Entrepreneur Training and Loan Program, the Neighborhood Small Business Loan Fund, and Recipes for Business Success (assistance for food product businesses.)

Target Market: low // moderate-income persons in 12 of the poorest neighborhoods of St. Paul / Minneapolis, the Hmong, American Indian, Somali, and Latino communities.

Services: Business training classes, Lending, Technical Assistance

Accomplishments / Special Interest: Operate 4 business incubators in Minneapolis / St. Paul
Participating in national study on connecting entrepreneurs to markets As of 6/30/99 over 1100 entrepreneurs trained -80% are people of color Almost 300 program graduates now in business 1998 program evaluation indicates alumni businesses create an average of 3.5 jobs each and collectively return more than 7 million dollars to the local economy each year.

Phillip's Community Development Corporation

1113 East Franklin Avenue

Minneapolis, Minnesota 55404

Contact: Michou Kokodoko

Telephone: 612-871-2435

Email: michouk@phillipscdc.org

Program Description: The Phillips Community Development Corporation (PCDC) was created to help community residents and small business owners achieve economic self-sufficiency and to provide initiatives for redevelopment of the neighborhood.

Services: To accomplish its community development mission, PCDC operates two major programs: The Phillips Job Bank and the Phillips Economic Development Program. The Job Bank assists unemployed community residents and others in obtaining meaningful jobs and in becoming self-sufficient and productive members in the community. The objective of the PCDC Economic Development Program is to

develop a network of community-based and resident operated businesses to help build the local economic base, increase job creation and re-circulate community resources to strengthen the neighborhood.

Women Venture

2324 University Avenue
St. Paul, Minnesota 55114

Contact: Tené Wells

Telephone: 651-646-3808

FAX: 651-641-7223

Website: www.womenventure.org

Program Description: Women Venture is a nonprofit Employment, Career Development and Business Development Services agency. Since 1978, Women Venture has helped women find and keep jobs, change and advance careers, and start and grow businesses. A pioneer of innovative approaches to economic self-sufficiency, Women Venture places special emphasis on women and low-income families. This includes welfare-to-work, job retention and micro-enterprise programs, business and community collaborations, and training women in the construction, printing, manufacturing, and service industries.

Target Market: Women and low-income families

Career Services: classes, workshops and consulting: individual assessments, career development, career planning. Free Open House every 3rd Thursday, 5:30PM
Employment Services

Business Development Services: Business creation and growth. Free Open House every 1st and 3rd Thursday. Special Programs for low-income individuals: Job readiness training and business skills for women

Loan Fund: SBA Microenterprise Loans \$200 to \$25,000
Urban Initiative Loan Fund (Business must meet Urban Initiative guidelines) \$1,000 to \$50,000. SETO Loan Program (Business must meet HUD low-income guidelines) \$200 to \$5,000

Accomplishments / Special Interest: Provides the tools, skills and resources you need to achieve a better quality of life for you and your family in jobs and business that fit your interest, values and goals.

Appendix III: Sample Incubator Enrollment / Graduation Process

Univ. Central FL Technology Incubator program structure for start-up and growing technology businesses. (<http://www.incubator.ucf.edu/Incubationprogram/index.html>)

Evaluation

- Submit Application
- Complete Excellence in Entrepreneurship
- Present to UCFTI Selection Committee
- Admission

Orientation (Month 1- 2)

- Incubator Orientation
- Business Development Orientation

Growth (Month 2 - 12)

- Strategy Series Work Sessions
 1. Company Growth Strategy
 - Elevator Speech
 - Value Proposition
 - Problem Solved
 - Build Revenue Projections
 2. Market Growth Strategy
 - Target Customer
 - Market Segmentation
 - Sustainable Competitive Advantage
 3. Investment/Funding Strategy
 - Government Funding
 - Elevator Speech
 - Term Sheet
 - Power Point Presentation for Investors
- Participate in Day-to-Day Tactical Meetings

Maturation (Month 6 - 18)

- Present Initial Business Plan
- Present Final Business Plan
- Revisit Strategy Plan

Graduation (Month 18 - 36)

Southern Illinois Entrepreneurship Center works with entrepreneurs and small businesses in the following growth stages:

- Start-Up/Emerging (1 - 18 months)
- Growth/Expansion (18 months - 3 years)
- Mature/Prosperous (4 - 7+ years)
- Transition/Exit

Appendix IV: Select Training Curriculum of Incubators

Training topics can include "How to Develop a Business Plan," "Assessing Entrepreneurial Readiness," "Types of Businesses," (for example, the difference between sole proprietorships, limited partnerships and corporations), and so on, and can be offered through various settings including classroom type lectures, one-on-one counseling, peer networking, and mentoring programs (AEO). Computer training in specific business software packages such as QuickBooks is also common. In addition to basic training programs, most incubators and microenterprise offer business services that includes marketing, merchandising, financial record-keeping, credit repair, retail management, restaurant layout, design & management, legal assistance, business operations, food production and sales advice.

Economic Literacy and Asset Development (AEO) is also part of most microenterprise programs. American Enterprise Opportunity (AEO) has learned that low-income entrepreneurs can greatly benefit from increased knowledge of the benefits of banking and savings principles. For example, entrepreneurs need to learn the importance of establishing checking accounts and savings accounts, like Individual Development Accounts (IDAs); the importance of establishing a credit rating and, in many instances, learning about credit rehabilitation. They need to understand the importance of tax laws and other regulatory issues; the importance of sound accounting principles and types of insurance, etc.

Specific Classroom style trainings include:

Basic Computer training	Manufacturing, high tech and life sciences
Quick Books training	development
Business seminars dealing with how apply for government business grants	Marketing
Business planning	Networking
Financial resources and assistance	Nonprofit development
Franchising	Product development
Legal services	Regulatory compliance
Libraries and research organizations	Selling to the government and large corporations
Management issues and training	Tax services
	Technical assistance

Appendix V: National Microenterprise and Incubator Resources

The Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination (FIELD) is a program of the Aspen Institute designed to identify, develop, and disseminate best practices, and to educate funders, policymakers and others about microenterprises as an anti-poverty strategy.

General website: <http://fieldus.org/index.html>

List of Publications: <http://fieldus.org/Publications/index.html>

National Business Incubator Association (NBIA) supports the business incubation industry by providing services including training, research and information clearinghouse activities to bring excellence to the process of assisting early-stage companies. In short, NBIA provides professional development resources to the people who help entrepreneurial companies grow.

Homepage: <https://www.nbia.org/index.php>

America Enterprise Opportunities (AEO) Founded in 1991 and remains the only national member-based association dedicated to microenterprise development. We provide our members with a forum, information and a voice to promote enterprise opportunity for people and communities with limited access to economic resources.

Web site: www.microenterpriseworks.org

MicroInfo: <http://www.microenterpriseworks.org/>

Association of University Research Parks (AURP)

University Economic Development Association (UEDA) <http://www.namtac.org/>

Urban Entrepreneur Partnership

A collaboration including Kauffman Foundation, National Urban League, SBA and others intended to encourage minority entrepreneurship. The initiative provides for the development of one-stop economic empowerment centers to provide business training, counseling, financing, and procurement opportunities to minority and urban business owners.

More Info: <http://www.kauffman.org/items.cfm?itemID=591>

Microfinancing

The University Center for Economic Development has two forms of which to enable small businesses in locating and obtaining financing. One form is to become a community development loan intermediary. The other method is to build relations with financial institutions who will provide direct grants/loans to micro-enterprises and entrepreneurs. Both options are discussed within this section.

Community Development Loan Intermediary

Many Federal programs work with State offices and nonprofit partners to offer low-interest loans for community economic development. Within this environment, the University Center for Economic Development becomes an intermediary of funds for the federal or state programs. Many such programs exist although only a few are highlighted here:

US Small Business Administration

Certified Development Company Loan Program

This program provides businesses with long-term, fixed rate financing for major fixed assets. Certified Development Companies work with the SBA and private-sector lenders to provide financing to small businesses. Depending on qualifications, small businesses are able to attain loans of \$1.5 million to \$4 million dollars for fixed assets.

SBA Microloan Program

SBA's Microloan Program provides short-term loans to start-up, newly established, or growing small business concerns. SBA makes funds available to nonprofit community based lenders (intermediaries) which, in turn, make loans to eligible borrowers in amounts up to a maximum of \$35,000. The average loan size is about \$13,000.

CDFI Fund (The Community Development Financial Institutions Fund)

The CDFI Fund's mission is to expand the capacity of financial institutions to provide credit, capital, and financial services to underserved populations and communities in the United States. The CDFI Fund was created for the purpose of promoting economic revitalization and community development through investment in and assistance to community development financial institutions (CDFIs).

Direct Micro-Enterprise/Entrepreneur Grants and Micro-Loan Programs

Most economic development organizations assist their clients in locating grants and loans. Under this format, the University Center for Economic Development builds relationships with federal, state and local grant and loan agencies. Clients are subsequently guided and encouraged to seek funding from these sources. The following organizations offer such assistance.

Federal Government

US Department of Health and Human Services

National Institute of Health Extramural Research and Training Programs

Small Business Funding Grants are offered via Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR). The applicant must be a for-profit (incubator client) and pursuing the commercialization of a scientific innovation. Funding is offered through three stages of product development.

SBIR/STTR Phase I: The objective of Phase I is to establish the technical/scientific merit and feasibility of the proposed R&D efforts. R&D efforts that will significantly contribute to proving the scientific or technical feasibility of the approach or concept are candidates for further support in Phase II. Awards are made for a period of 6 months to one year and are for \$100,000 or less.

SBIR/STTR Phase II: The objective of Phase II is to continue the research or R&D efforts initiated in Phase I. Funding shall be based on the results of Phase I and the scientific and technical merit and commercial potential. All Phase II applications must include a succinct Commercialization Plan. Awards are based on a succinct commercialization plan, are awarded for a period of no more than two years and are for \$750,000 or less.

SBIR/STTR Phase III: During Phase III, the small business is to pursue commercialization with non-SBIR/STTR funds (either Federal or non-Federal).

US Department of Health and Human Services

Assets for Independence-Individual Development Accounts (IDAs)

The goal of this program is to find out if, and how, IDAs (matched savings accounts) can best be used to help low income refugee families accumulate assets; and to what extent such accumulation of assets will help stabilize and improve families and the community in which the families live.

Partners include one or more not-for-profit organization, a state or local government agency applying jointly with a not-for-profit organization or a CDFI/low income credit union.

www.acf.hhs.gov/programs/ocs/ida/index.html

HHS-IDA program	SFY 2005	Avg funding/yr
Number of projects	50-60	for 5 year project
Total Funding	\$24.9M	\$327,273

While funds are available for purchases of homes and automobiles, the program also supports vocational training and certification and micro-enterprise capitalized costs as identified in a business plan. The business plan must be approved by a financial institution, a micro-enterprise development organization or a nonprofit loan fund in order to receive the match.

State Government

MN Department of Employment and Economic Development (DEED)

Urban Initiative

This loan program primarily assists minority-owned and -operated businesses and others that will create jobs in low-income areas of the Twin Cities. This program invested \$1,094,602 of state funds in business loans during SFY 2005, fifty-one percent (51%) of loans went to African American businesses. *Each dollar of state funds must be matched by at least an equal amount of private funds. Generally, this match is provided in loan through the participating nonprofit partner.* Loans range from \$25,000 to \$300,000. The state may contribute 50 percent of the loan up to \$150,000.

Current Partners:

(<http://www.deed.state.mn.us/bizdev/Urb/in dex.htm>)

Urban Initiative	SFY 2003	SFY 2004	SFY 2005
Number of projects	32	54	52
Loan amounts	\$844,360	\$1,004,694	\$1,094,602

African Development Center, 612-333-4772

American Indian Economic Development Fund, 651-917-0819

Central Minnesota Development Company, 763-784-3337

Metropolitan Economic Development Association, 612-332-6332

Milestone Growth Fund, 612-338-0090

Minneapolis Consortium of Community Developers, 612-789-7337

Neighborhood Development Center, 651-291-2480

Riverview Economic Development Association, 651-222-3727

SPARC, 651-488-1039

Women Venture, 651-646-3808

(<http://www.deed.state.mn.us/programs/urbaninitloan.htm>)

Local Organizations

Other organizations interested in offering loans to small businesses include:

- Local banks and credit unions, particularly those located in the neighborhoods where the businesses are being developed
- Healthcare organizations (such as 3M, Medtronic, St. Jude, etc.)
- Local nonprofit clinics, hospitals, and healthcare organizations
- Venture capitalists
- Angel investors

Funding Sources

Potential Avenues for Community-University Partnership Funding Sources

The University Center for Economic Development plans to begin operations during the 2007-2008 fiscal year. Approximately 10% of the funds needed for operation will come from operating income (rent, service fees); UCED expects that by its fifth year, the University of Minnesota will source no more than 20% of the operating expenses. The remaining 70% of funds must be derived from grants, sponsorships and in-kind contributions.

According to a National Business Incubator Association survey in 2002, established incubators are funded via the following breakdown.

- Universities 5% (up to 20% or more if university-based)
- Federal Departments of Commerce 19%
- State Government 15%
- Local Governments 12%
- Foundations 10%
- Corporations 8%
- In-Kind 10%

This document outlines potential organizations of which to obtain additional funding, ranging from federal to local government sources, corporate sponsorships, foundations and individual contributions

Prior to seeking funding from these sources, the University of Minnesota should investigate whether funding from these sources will diminish the government/foundation's ability to fund other Twin City based economic development centers, neighborhood development corporations or other incubators. Since the overall target is to increase innovation, increase job opportunities and increase economic impact, the University of Minnesota will want to seek funds which increase the overall impact within the Twin Cities and the Northside.

Federal Government

Federal funding is available through a number of sources. The following weblink outlines the 2006 Federal budget for grants and loans. http://www.cfed.or/imageManager/documents/2006_Budget.xls
This document highlights potential opportunities based on the objectives of the University Center for Economic Development.

US Economic Development Administration

The Economic Development Administration (EDA) is the most significant federal source of funding for business incubators. EDA holds the basic principle that distressed communities must be empowered to develop and implement their own economic development and revitalization strategies. Based on local and regional developed priorities, EDA works in partnership with state and local governments, regional economic development districts, and public and private nonprofit organizations. EDA Programs require matching funds. Applications are reviewed in October of each year.

Seven programs exist under this funding source:

Economic Adjustment Assistance Program

*The Research and Technical Assistance Program,
Local Technical Assistance,
Partnership Planning,
Trade Adjustment Assistance,
Public Works Program,
University Center Program*

While all of these programs may be a source of funding, four of the programs are of particular interest. The goals of the *Economic Adjustment Program*, the *Research and Technical Assistance* and the *Local Technical Assistance Program* are to assist economically distressed areas to improve economic impact. Partners include institutions of higher education, cities or other subdivisions of the state, and public or private not-for-profit organizations.

The *University Center Program* is a partnership between federal government and academia focused on making university resources available to the economic development community
www.eda.gov/AboutEDA/Programs.xml

US Department of Housing and Urban Development (HUD)

The Office of University Partnerships (OUP) is committed to helping colleges and universities join with their neighbors to address urban problems—partnerships that enable students, faculty, and neighborhood organizations to work together to revitalize the economy, generate jobs, and rebuild healthy communities

For example:

The University of Pennsylvania has been awarded \$399,952 in Community Outreach Partnership Centers Program (COPC) funding to create a partnership with community leaders to address problems in the West Philadelphia neighborhood. The target area includes the entire West Philadelphia portion of Philadelphia's Empowerment Zone. The following activities, identified by the community will be undertaken: provision of technical assistance to the Empowerment Zone leadership to create minority entrepreneurship, development of remediation strategies for urban brownfields in the neighborhood; creation of an effective school-to-work program; and development of home repair workshops, including financing, to help stabilize and maintain owner-occupied housing. The project builds upon the University's commitment to working with its West Philadelphia community.

Additional information is available via the Office of University Partnership: <http://www.oup.org/> or through the Grant Specialist HUD at the Office of University Partnerships in Washington DC (202) 708-3061, ext. 7495

US Department of Health and Human Services, Office of Community Services

Community Economic Development Discretionary Grant Program

This program awards operational grants to community development organizations. The program is designed to create opportunities to increase employment and business development for low-income individuals. Projects may include business start-ups, business expansions, development of new products and services, or new commercial activities.

Additional information is available via the Department of Health and Human Services Website
<http://www.acf.hhs.gov/program/ocs>

Additional Federal Grant Sources:

The following Federal Grant sources may also yield additional funding for the UCED and its programs:

- ***PRIME (Program for Investment in Micro-entrepreneurs):*** The SBA provides federal funds to community-based, regional and national organizations that in turn will offer training and technical assistance to low-income and very low-income entrepreneurs with small businesses of five employees or less.
- ***Women's Business Centers (Office of Women's Business Ownership):*** The Office of Women's Business Ownership (OWBO), supported by the SBA, assists women achieve their dreams and improve their communities by helping them start and run successful businesses, regardless of social or financial disadvantage, race, ethnicity or business background. OWBO and the Online Women's Business Center are integral components of Entrepreneurial Development's network of training and counseling services.
- ***Jobs Opportunities for Low-Income Individuals (JOLI):*** The purpose of the JOLI program is to provide technical and financial assistance to private employers in the community to assist them in creating employment and business opportunities for individuals receiving Temporary Assistance for Needy Families (TANF) and for other low-income individuals. The ultimate goal of the JOLI program is economic self-sufficiency for the targeted populations.

http://www.cfed.org/imageManager/_documents/2006_Budget.xls

State Government

MN Department of Employment and Economic Development (DEED)

Minnesota Small Business Development Center

The Minnesota Small Business Development Center (SBDC) program is designed to provide economic development assistance to small businesses and entrepreneurs (counseling and training). The objectives are to promote growth, profitability, innovation, employment, and economic development. SBDC provides this assistance by partnering the financial support of the federal, state and local governments with the resources and knowledge of institutions of higher education, the economic development community and the private sector.

Financial support of the SBDC program is provided by the Small Business Administration (SBA) and administered through DEED. State policy requires regional center host partners to provide total match funding equal to 100 percent of the funding awarded.

THE SBDC Network is comprised of nine regional partners. The Metro Area's contract is currently held by the University of St. Thomas. Of special note, the University of Minnesota, Duluth holds the contract of the Northeast Region.

DEED is expected to award contracts for the next three years in Spring 2010. Should the University of Minnesota seek to compete for the contract, preparation should begin in the fall of 2009.

National Foundations

Kauffman Foundation

Kauffman Campus Initiative

The Kauffman Campus Initiative aims to make entrepreneurship education available across land-grant university campuses, enabling any student, regardless of field of study, to access entrepreneurial training.

Eight schools have received a combined \$25M in funds. As part of the initiative's matching funds requirement, the Kauffman Campuses schools have pledged a three-to-one match, which, combined with the Kauffman grants, is directing a minimum of \$100 million for the creation of new interdisciplinary entrepreneurship education programs in American higher education.

Nineteen schools are being added to the program in 2006. They include: Arizona State University; Brown University; Carnegie Mellon University; Georgetown University; New York University; Baldwin-Wallace College; the College of Wooster; John Carroll University; Denison University; Hiram College; Kenyon College; Lake Erie College; Oberlin College; Walsh University; Purdue University; Syracuse University; the University of North Carolina System; the University of Wisconsin-Madison; and the University of Maryland-Baltimore County.”

http://www.carnegie.org/reporter/13/foundation_roundup/index.html (12/14/06)

Examples of specific initiatives include:

The University of Illinois at Urbana-Champaign-

(\$4.5-million) will help professors and graduate students develop curricula and create a database for studies in entrepreneurship.

Florida International University- (\$3-million), whose student body is more than three-quarters Hispanic, will focus on helping immigrants in South Florida develop family businesses.

Howard University-

(\$3.1-million) will emphasize developing and supporting African-American and minority entrepreneurs.

The University of North Carolina at Chapel Hill-

(\$3.5-million) expects social entrepreneurship to be a major focus.

<http://www.kauffman.org/items.cfm?itemID=475>

<http://chronicle.com/weekly/v50/i38/38a01101.htm>

The University of Rochester- (\$3.5-million) is creating courses and programs in its music, nursing, and education schools, as well as in other undergraduate and graduate programs.

The University of Texas at El Paso- (\$2-million) is focusing on helping minority-owned, urban businesses.

Wake Forest University- (\$2.16-million) is emphasizing entrepreneurial initiatives in the liberal arts.

Washington University in St. Louis- (\$3-million) is creating a scholarship program for entrepreneurial students and research grants for faculty members.

Kauffman-Urban Entrepreneur Partnership

In 2004 the Kauffman Foundation launched the Urban Entrepreneur Partnership as an initiative to encourage minority entrepreneurship through the creation business centers in five pilot cities (Atlanta, Cincinnati, Cleveland, Jacksonville, Kansas City) with the plan to build to fifteen by the end of 2006:

“The Urban Entrepreneur Partnership mobilizes resources of corporate America, major service organizations, the non-profit sector, and federal, state and city governments. The National Urban League's local affiliates will house and administer the economic empowerment centers. The Kauffman Foundation and Business Roundtable, an association of 150 CEOs of major firms, will provide expert guidance, impress private sector standards and create partnership between large firms and urban entrepreneurs, including mentoring and identification of corporate contacts and private sector contracting opportunities at the centers. The Federal government will facilitate the establishment of centers and assist their operations through the U.S. Small Business

Administration, the Department of Commerce's Minority Business Development Agency, SCORE and other Federal entities."

About the Partners: (<http://www.kauffman.org/items.cfm?itemID=591>)

National Urban League (www.nul.org)

Business Roundtable (www.businessroundtable.org)

BusinessLINC® (www.businesslinc.org)

Ewing Marion Kauffman Foundation (www.kauffman.org)

The Minority Business Development Agency (www.mbda.gov)

The U.S. Small Business Administration (www.sba.gov)

Examples of recent funding to Urban Entrepreneur Partnership programs include:

Kansas City, KS:

Collect demographic information on potential clients for the Urban Entrepreneur Partnership program. The Entrepreneur Development Center will track each client's progress.

Approved Amount: \$50,000

Approved Date: 7/23/2005

Kansas Black Chamber Foundation-Overland Park, KS

Support for the Urban Entrepreneur Partnership program.

Approved Amount: \$75,000

Approved Date: 8/31/2006

National Urban League, Inc. New York, NY

Support the creation of multiple entrepreneurial coaching centers around the country that will support the creation and growth of minority firms

Approved Amount: \$2,334,000

Approved Date: 8/26/2004

<http://www.kauffman.org/items.cfm?itemID=582>

Funding guidelines: <http://www.kauffman.org/grants.cfm?topic=fundingguidelines>

Minneapolis/St. Paul Philanthropic and Corporate Institutions Currently Funding Micro-Enterprise Programs

The following list represents local organizations currently funding micro-enterprise programs and may be viable sources for the University Center of Economic Development. In addition to these sources, The University of Minnesota needs to develop relationships with healthcare organizations interested in funding healthcare incubator businesses.

- Northway Community Trust
- City of Minneapolis
- Hennepin County
- University of Minnesota
- University of Minnesota Foundation
- University of Minnesota Alumni
- Redevelopment Agencies
- Successful Entrepreneurs
- In Kind Donations: Office Furniture, Computers, Consulting Services, etc
- The Bush Foundation
- Carl and Eloise Pohlrad Family Foundation
- Catholic Campaign for Human Development

- Fannie Mae
- F R. Bigelow Foundation
- First Universalist Foundation
- Freddie Mac
- Greater Twin Cities United Way
- Grotto Foundation
- HECAT (Homeownership Education, Counseling and Training)
- Kandiyohi Development Partners
- Marquette Financial Companies
- The McKnight Foundation
- The Minneapolis Foundation
- Otto Bremer Foundation
- Payne-Lake Community Partners
- The Jay and Rose Phillips Family Foundation
- The Saint Paul Foundation
- Saint Paul Travelers Foundation
- Smith Partners, PLLP
- Twin Cities LISC
- U.S. Bancorp Foundation
- Xcel Energy Foundation
- Urban Initiative Loan Program
- Valspar Foundation