

Bay County RESTORE Act Direct Component Proposals 2014-2015

<b>Proj #</b>	Bay PRP 2014-046 Fostering Business Economic Growth
<b>Project Name</b>	Fostering Business and Economic Growth Through Business Incubation
<b>Project Proposer, affiliation, web site</b>	Andrew Levy Business Innovation Center (BIC) <a href="http://www.bicpc.com/">http://www.bicpc.com/</a>
<b>Project Description</b>	The BIC continues to have active interest from innovation-oriented and foothold companies. The BIC (10 clients, 4 in residence) has already exceeded capacity and recognizes the value of having multiple locations. Downtown Panama City is the urban environment clients' desire. Combining a downtown community-oriented with a successful campus-based location, the BIC will be positioned to service NW Florida's startup community. The BIC requires a grant of \$629,000.00 to fully fund its expansion.
<b>Proj. Size (acres)</b>	661120
<b>Economic</b>	For every \$1 of public investment in an incubator there is a return on investment of \$30 in local tax revenue. There is increased likelihood of business success with 87% of incubator graduates staying in business and 85% of the incubator graduates staying in the community.
<b>Environmental</b>	Limited only by the incubator's client base and mission of fledgling businesses/products developed to impact our local environment.
<b>Social</b>	An example of a current client impacting social aspects: company developing system to modernize the booking of local charter fishing and hunting trips Bay County and surrounding areas, bringing people together with similar interests in outdoor activity.
<b>Other</b>	Four separate clients/potential clients are "on hold" for requested BIC services. The current lack of space precludes service to companies with known job creation potential in tech and medical fields. Award of this grant allows these start-ups to bring jobs to Bay County.
<b>Project Location</b>	office. Building is well suited for conversion to incubation offices, most efficiently using avail. funding. Loc. selected for ease of access for potential clients/customer base.
<b>Est total project cost</b>	\$629,000
<b>Amount requested</b>	\$629,000
<b>Describe what funds will be used for</b>	Five year lease of up to 10,800 sq ft building with office, meeting and other support spaces. Will also cover start-up and monthly costs of internet, phone, utilities, insurance, furniture and modest marketing.
<b>Long term funding needed? Source? Availability?</b>	The Business Innovations Center will continue to seek additional Federal, State, Local and private funding sources for long term service to the local community.
<b>Est yrs completion</b>	3-6
<b>Matching \$ available?</b>	
<b>Match source? Secured?</b>	N/A
<b>Amount match secured</b>	
<b>% proj cost from match</b>	
<b>Partners anticipated?</b>	Yes
<b>Partner names</b>	1) City of Panama City 2) Bay County Chamber & 3) Bay EDA

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<b>Funds request other source?</b>	
<b>If yes, name source, decision date</b>	N/A
<b>Proj fully funded by other source?</b>	
<b>FULL PROPOSAL FORM</b>	
<b>Project number (proposal)</b>	Bay PRP 2014-046
<b>Submittal date proposal</b>	2/9/2015
<b>Project name (proposal)</b>	FOSTERING BUSINESS AND ECONOMIC GROWTH THROUGH BUSINESS INCUBATION
<b>Applicant name</b>	Business Innovation Center (BIC): Jeremy Bennett, Board President and Pamela Kidwell, BIC Executive
<b>Project description (proposal)</b>	<p>Since August 2013, the Business Innovation Center (BIC) has mentored new, growth stage* and foothold* companies in admittedly limited facilities on the Florida State University-Panama City (FSU-PC) campus. With ten (10) clients, four (4) of whom are in actual residence in the current FSU-PC offices, the BIC has already exceeded its in-house capacity. In short, the BIC needs to expand its operation in an additional facility. Downtown Panama City offers the urban commercial environment our clients desire and an inventory of suitable buildings. Combining a downtown commercial facility to house clients with a successful campus-based location focused on non-resident business mentoring and counseling for FSU students and the general public, the BIC will be better positioned to serve Bay County and northwest Florida’s entrepreneurial community.</p> <p>The BIC will use the \$629,000.00 grant to fully fund the lease of an existing building in downtown Panama City for a five (5) year period, as well as leasehold improvements to provide appropriate business services for our current and new clients.</p> <p>* “Growth stage” is a term used to describe home-based businesses which need to move into an outside office but are not ready for the financial commitment of a standard commercial lease.</p> <p>* “Foothold” is the term used to describe existing commercially viable companies which require temporary fixed office space from which to operate as they “test” a market and can move out into a permanent location.</p>

<p><b>Project location description</b></p>	<p>Four buildings of interest in downtown Panama City have been identified to house the BIC expansion. A lease on any of these buildings will not be initiated without surety of grant funding.  <a href="https://mail.google.com/mail/u/2/#inbox/14b70e285443de31?projector=1">https://mail.google.com/mail/u/2/#inbox/14b70e285443de31?projector=1</a>                  These coordinates describe the area in downtown Panama City bordered by 7th Street on the north, 5th Street on the south, Beach Drive/Florida Avenue on the west and Luverne Avenue on the east.                  Diagram using the Bay County Interactive Map will be emailed separately.</p>
<p><b>1. Restore nat res</b></p>	<p>Not Applicable</p>
<p><b>2. Mitigate</b></p>	<p>Not Applicable</p>
<p><b>3. Implement plan</b></p>	<p>Not Applicable</p>
<p><b>4. Workforce/Jobs</b></p>	<p>Startups, growth stage companies and new foothold companies expanding into our market, especially those in innovative non-retail industry sectors, are key to new job creation and subsequent workforce development in Bay County. The BIC itself is space-constrained and cannot expand on the FSU-PC campus. The four (4) companies currently in residence at the BIC's FSU-PC facility are space-limited. Their employees often must timeshare office space, which is less than optimal for growth. Our most promising client expects to employ forty (40) technical staff but cannot do so without offices and meeting spaces. Growth is exciting but not without its challenges.</p> <p>Renting a larger office building and equipping it with the accoutrements of shared business support (phone system, internet, conference room, copier, etc.) in downtown Panama City will not only allow the BIC to expand, it will also contribute to downtown Panama City's economic revitalization efforts. The spillover effect of new non-retail businesses in downtown on the existing retail establishments cannot be overlooked. Twenty more people eating lunch and shopping downtown on any given work day will contribute to the economic health of downtown as well.</p> <p>Moreover, this project fits well into the "tech corridor" plans under the marina redevelopment project, and could encourage the development of affordable housing for young professionals employed by these firms. This is one of the reasons that the Bay County Chamber of Commerce has formally endorsed this project.</p>
<p><b>5. Improve state park</b></p>	<p>Not Applicable</p>
<p><b>6. Infrastructure</b></p>	<p>Although this funding request will not be used in the traditional infrastructure development sense, a non-retail,STEM-focused business incubator facility in downtown Panama City will be another "tool" in Bay County's economic development toolbox to entice foothold companies to test our waters and set up permanent operations here.</p>
<p><b>7. Flood protect</b></p>	<p>Not Applicable</p>

<b>8. Planning</b>	Not Applicable
<b>9. Promote tourism</b>	<p>A client currently served by the BIC is directly involved in promoting recreational freshwater and saltwater fishing through a website portal. Unfortunately, the BIC's current space limitations preclude him from being housed in the existing office facility. RESTORE ACT funding to allow the BIC's expansion would offer this start-up and possibly others in tourism promotions space to grow.</p>
<b>10. Promote seafood</b>	Not Applicable
<b>1.1 Diversify</b>	<p>As its name suggests, the BIC's mission as a non-profit business incubator is to cultivate, stimulate and nurture the growth of these non-retail industry sectors. A 2011 report called "Incubating Success," which was financed by the Economic Development Administration at the Department of Commerce, found that one of "the most important goals of top-performing incubation programs are creating jobs and fostering the entrepreneurial climate in the community."</p> <p>BIC's incubator clients have access to comprehensive business training (marketing, financial management, networking, intellectual property management, and regulatory compliance, etc.) as well as advisory boards and mentors. The proven advantage of such support is borne out by the 87% likely success rate of incubated clients. In the case of foothold companies, the new BIC facility will offer them temporary base of operations with room to grow locally while continuing their access to a support network as they establish themselves in our market.</p> <p>This grant will be used to rent an existing building in the "tech corridor" in downtown Panama City and pay for leasehold improvements to expand BIC operations. The successful growth of BIC clients in this facility will directly impact the revenue base of downtown Panama City and can attract other entrepreneurs, further diversifying and sustaining an area adversely impacted by the economic downturn associated with the BP oil spill.</p>
<b>1.2 Infrastruc</b>	<p>All of the non-retail sectors referenced in Objective 1.1 require physical space with STEM-compatible infrastructure and support facilities. The BIC is the only non-profit entity in Bay County offering such entrepreneurial support. The successful launch of a new non-retail incubator in downtown Panama City will not only help BIC clients in residence now, but allow us to house the clients for whom we have no space in our current location, as well as encourage others to locate within the facility. It might also encourage the revitalization of other buildings downtown as BIC clients "graduate" and need to expand into "independent" facilities. Furthermore, the office spaces on the FSU-PC campus can be used to encourage entrepreneurship among the college community, as well as the non-resident client consulting already provided by the BIC.</p>

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	Not specifically applicable at this time. However, aerospace, logistics and tech companies which might be attracted but not ready to commit or are waiting to build fixed base operations at the airport could establish temporary offices in the new BIC facility. (See Objectives 1.1 and 1.4)
<b>1.3 Airport</b>	
<b>1.4 Job train</b>	Gulf
<b>1.5 Workforce dev</b>	Not Applicable
	Not Applicable
<b>1.6 Facil tourism/econ dev</b>	
<b>1.7 Rec, transport, wage</b>	Not Applicable. However, to the extent that the BIC focuses on the growth of STEM-related new business development, expansion into a new facility will present "...opportunities for wage improvements...for Bay County residents...."
<b>1.8 Protect nat res</b>	Not Applicable
<b>1.9 Promote fishing</b>	See section B.9
<b>1.10 Commun resil</b>	Not Applicable
<b>2.1 Protect SAB</b>	Not Applicable
<b>2.2 Improv wtr qual</b>	Not Applicable
<b>2.3 Protect seagrass</b>	Not Applicable
<b>2.4 Wildl hab</b>	Not Applicable
<b>2.5 Acq lands</b>	Not Applicable
<b>2.6 Preserve dunes, shore</b>	Not Applicable
<b>2.7 Protected spp</b>	Not Applicable
<b>2.8 Water data</b>	Not Applicable
<b>3.1 Deer Pt Lk wtr qual</b>	Not Applicable
<b>3.2 Stabil roads</b>	Not Applicable
<b>3.3 Sewer AWT</b>	Not Applicable
<b>3.4 Septic to central</b>	Not Applicable
<b>3.5 Stormwtr</b>	Not Applicable
<b>3.6 LID</b>	Not Applicable
<b>3.7 Coast resil</b>	Not Applicable
<b>3.8 Support port</b>	Not specific but equally applicable to the opportunity delineated in Objective 1.3

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<p><b>Budget justification</b></p>	<p>Of the \$629,000 requested, \$50,000 for leasehold improvements over 5 years; \$65,000 for equipment (telecomm; copiers; computers and printers; and furnishings over 5 years); \$514,000 for the building lease.</p> <p>The BIC has operating capital to cover its personnel expense, and generates income from its business counselling services. It does not collect rent at this time. When it occupies the facility, it expects to generate \$25,800 in rent revenue to offset its operational expenses</p>
<p><b>Ongoing costs</b></p>	<p>The BIC's estimated annual operating budget is \$550,000 per year. We expect to collect \$309,600 in facilities rental revenues. The remaining \$240,400 will be covered by its long term investment accounts, revenue-generating activities, additional grants and donations (cash and material).</p>
<p><b>Objective and measures</b></p>	<p>The Business Innovation Center is a self-sustaining business operation in its own right with its own source of working capital and income derived from its internal and external client consulting services. With this grant, the BIC will rent an office facility in downtown Panama City, invest in leasehold business support improvements that complement its operations (telephone system, internet, etc.), and expand its operation for its existing client base to include several more in-house clients. The number of resident businesses will vary, both according to space, demand and "graduation rates" from the program.</p> <p>BIC clients are independently owned businesses. The BIC currently provides business counseling and modest support services; with this grant, the BIC will also provide an ideal physical plant in which they can grow. These companies' graduation from the program as sustainable ventures that will contribute to the Bay County's economic development is our goal with active recruitment of promising new start-ups to take their places.</p> <p>The project milestones for this grant hinge upon the lease agreement and completion of leasehold improvements associated with the BIC facility expansion: THIS TIME TABLE is for illustration purposes only: . Successful negotiation of a facility lease agreement (45-60 days following grant award and BIC Board approval) . Contracting for and installation of leasehold improvements (60-90 days, depending on needs of the building leased). Actual move-in (10-30 days following completion of leasehold improvements, although move-in may begin prior to completion)</p>
<p><b>Nat Res Proj</b></p>	
<p><b>Best Avail Science</b></p>	<p>Not Applicable.</p>
<p><b>Env issues</b></p>	<p>Submitted separately.</p>
<p><b>Econ Dev proj?</b></p>	<p>Yes</p>

	<p>See section C.1</p> <p>By definition, a business incubator like the BIC is a local economic development engine whose purpose is to foster the success and growth of startups and foothold businesses in Bay County. With this grant, the BIC will expand its activities and move its existing clients that are outgrowing their current space in our FSU-PC center into the downtown "tech corridor" building. The FSU-PC location will be retained to provide non-resident client counselling, and offer small office spaces for promising entrepreneurial activities by FSU students.</p> <p>Although the BIC encourages the growth and sustainability of STEM-related, non-retail businesses, we can make no claim nor representation as to limiting the types of clients served nor the ultimate long term success of each BIC client. The BIC is an entrepreneurial business builder. We give entrepreneurs and foothold companies the support they need to succeed but the proverbial heavy lifting remains on the individual business owner's shoulders.</p>
<b>Econ Dev description</b>	
<b>Job Creation?</b>	
<b>Describe how jobs created</b>	Personnel costs are borne by the BIC's current operational funding.
<b>No. jobs created</b>	
<b>No. jobs created Yr 1</b>	
<b>No. jobs created Yr 2</b>	
<b>No. jobs created Yr 3</b>	
<b>Avg wage</b>	
<b>Total proj cost</b>	629000
<b>Complement. proj descr.</b>	<p>The downtown Panama City Marina redevelopment project and long-range improvement plans reference a downtown "tech corridor". Although this project does not rely upon nor is it affiliated with the marina redevelopment, the BIC facility certainly will serve as a cornerstone for progress toward downtown revitalization.</p>
<b>Proj readiness descr</b>	<p>In anticipation of this funding, four (4) properties in downtown Panama City have been identified as suitable for the BIC and its clients' needs. Once this funding is secured, the BIC Board is empowered to sign a five-year lease, proceed with leasehold improvements deemed necessary for operations, and begin moving its clients into the new facility as soon as possible. Also see section E for milestones and estimated time table.</p>
<b>Permits required?</b>	Yes
<b>Permits status</b>	<p>Local building/fire inspections are the building owners' responsibility. No structural renovations are planned. Permits required to retrofit or upgrade the utilities, telecomm and cable capabilities will be handled in coordination with the landlord.</p>
<b>Land acq?</b>	
<b>Acquire fee simple?</b>	
<b>Acquire easement?</b>	

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<b>Fee and easement descri</b>	Not Applicable
<b>Terms of easement</b>	Not Applicable
<b>Entity to hold title</b>	Not Applicable
<b>Easement acres</b>	
<b>Fee simple acres</b>	
<b>Appraisal avail?</b>	
<b>Appraised value</b>	
<b>Title opinon avail?</b>	
<b>Material risks</b>	Material risks associated with the project are minimal. Without funding, BIC expansion will not go forward at this time.
<b>Likelihood of success</b>	Time is of the essence with this project. Given RESTORE Act grant funding, the BIC is ready to proceed. Appropriate buildings in the downtown Panama City tech corridor have already been identified. Leasehold improvements are contingent upon the specific building's shortcomings but the BIC board is confident that it can meet its timeline for occupancy.
<b>Contract out work?</b>	Yes
<b>Contracting strategy</b>	The extent to which leasehold improvements are required is dependent upon the building selected. See Section E. Current BIC staff in conjunction with the BIC Board will schedule and monitor the project's progress in cooperation with the landlord.
<b>Applic manage proj?</b>	Yes
<b>L 1. Proposed mgr</b>	Business Innovation Center of Bay County
<b>L 2. Mgr agreed?</b>	Yes
<b>L 3.Mgr experience</b>	The BIC staff will be responsible for all reporting requirements with considerable oversight by its Board of Directors . Staff members have several years' experience in managing state and federal grants with the US Small Business Administration (\$225,000 over a four-year period) as well as the US Department of Labor (\$2M over a three-year period) for a different organization.
<b>L 4. Post proj maint</b>	The BIC has a stable funding source and revenue stream from its current operations with an excellent board and management team in place. In addition to the funds on hand, the BIC expects to generate approximately \$25,800 per month in facilities rental revenue. The staff aggressively pursues additional funding through grants, donations and additional programs.
<b>L 5. Mgmt approach</b>	The BIC has a funds management program in place under its Executive Director Pamela Kidwell who is answerable to the the BIC's Board of Directors, including a Certified Public Accountant, which oversees its expenditures. The BIC currently manages \$325,940 with an active operating budget of \$24,221.
<b>Outreach descr</b>	Accounting systems are already in place to manage grants funds with Board oversight. Staff is experienced in grant reporting requirements, and has a Certified Public Accountant on the BIC Board to ensure compliance and fiscal accountability.