

**ECONOMIC DEVELOPMENT ADVISORY COUNCIL
MINUTES
DRAFT/UNAPPROVED
September 5, 2014**

The meeting convened at 7:30 a.m. at The Greater Concord Chamber of Commerce, 49 South Main Street, Concord, NH.

- PRESENT:** Councilor Allen Bennett, Tim Bernier, Robert Carey, Christopher Carley, Councilor Byron Champlin, Stephen Heavener, Brad Hosmer, John Hoyt, Councilor Jan McClure, Bill Norton, and Claudia Walker
- ABSENT:** Walter Chapin, Councilor Fred Keach, and Councilor Brent Todd
- STAFF:** Carlos Baía, Deputy City Manager – Development
Matt Walsh, Director of Redevelopment, Downtown Services, and Special Projects
Donna Muir, Administrative Assistant
- PRESENTERS:** Michael Tentnowski, Executive Director, Enterprise Center at Plymouth, PSU
Stephen Barba, Executive Director, Office of University Relations, PSU
Mark Scarano, Chief Executive Officer, Grafton County Economic Development Council
- GUESTS:** Dr. Susan Dunton, President, NHTI
Stephen Caccia, Vice President of Student Affairs, NHTI
David Luneau, NHTI Advisory Board
Tim Sink, President, Greater Concord Chamber of Commerce

1. June 6, 2014 Meeting Minutes Approval

Councilor Champlin moved approval; Councilor Bennett seconded. Motion carried unanimously.

2. Enterprise Center – Plymouth State University

The Chair introduced the guests and presenters.

Mr. Tentnowski, Mr. Barba, and Mr. Scarano provided an overview of the Enterprise Center at Plymouth State University and discussed the various components of successful incubator/accelerator centers, as well as the financing necessary to sustain a center.

Enterprise Center:

- The Grafton County Economic Development Council (GCEDC) currently has two separate partnerships – one with Plymouth State University (PSU) and one with Dartmouth College.
- PSU had a Small Business Institute (SBI) prior to Enterprise Center (Center) being created.
- The Center is both an incubator and accelerator. When the Center opened in October 2013, five accelerator companies moved into the Center, occupying the first floor space. Two additional accelerator companies have since moved in. In October 2014, the build out of the second and third floors will be complete and the SBI as well as four new incubator companies will move in at that time.

The GCEDC owns the building and PSU provides the program services; the land for the project was donated for the project.

- The SBI consultant works with 95 clients in community.
- There have been 21 internships at the Center, of which five have become full-time employees after graduation.

Differences between Incubators / Accelerators:

- Accelerators are existing businesses wanting to accelerate their growth and expand nationally or internationally.
- Accelerators can also be existing businesses that are failing, and the Center can put them back on track.
- Incubators are start-up or relatively new companies.

Successful Centers:

- Use Best Practices.
- Have a score card/road map for each business to provide necessary services.
- Businesses meet weekly or monthly with students from the partnership schools.
- Marketing takes place through taking care of the companies in the Center, who provide word of mouth advertising for the Center; hosting seminars for businesses within the Center and in the community; and talking with other businesses.
- Prospective companies are screened for acceptance into the program using three criteria: (1) are they coachable and do they need the offered program services; (2) the prospective companies cannot be in direct competition with a company currently in the Center; and (3) the prospective companies must have their business plan and financials in order.
- High speed internet access is a must, including redundancy and direct connections to a large metropolitan area such as Boston.
- Building locations for Centers should be chosen for their close proximity to education partners, downtowns, pizza & coffee shops, and shouldn't be more than four miles from the Center's education partners. It is important for the Center's to be a part of the community.
- The use of single story buildings allows for networking within the Center and is more conducive to the incubation process.
- Heavy fundraising for the development and continuation of the Center is necessary. It is important not to carry debt service on the project. It is also important to obtain grants from a variety of sources as well as tax credits.
- Businesses in Center must be providing jobs, which is important when obtaining grants.
- The Center should have a niche -- kitchen / bio tech / office / crafts / technology /organic farming, etc.
- There is a three year maximum stay for businesses utilizing the services of the Center. Some Centers may offer the possibility of extending month to month, which should be decided by the Selection Committee and dependent on the need for the space at the Center for new businesses.
- The Centers should be one-stop-shopping for the businesses in the Center. Organizations such as DRED / SCORE / etc., must be in local area to serve the Center's businesses.
- A ½ - ½ mix of incubators and accelerators is needed for the Center to be successful. Accelerators serve to pay the Center bills. However, if there are only accelerators then the project becomes just a real estate rental.
- It is imperative to have partnerships with universities and other education entities.
- In order to obtain grants, it would be necessary to create the Center as a non-profit.

- Need to do a feasibility study and then a strong business plan for the Center. Part of that is deciding what type of companies you want to attract to your community; leveraging and capitalizing on what the education facilities have for programs/degrees; and then working to obtain partners & funding.
- The main causes of the failure of incubators are from having debt service on the project; a lack of operating funds; and a poor location.
- The optimal Center building should be 36,000 square feet.
- Screening prospective companies who want to be in the Center should weed out those companies just looking for cheap space.
- Arranging for education partners pay for the Center's Executive Director's salary.

Financial Information:

- Accelerator companies pay market rate rent + triple net – this includes all program services.
- Incubator companies pay rent only - this includes all program and administrative services (conference room use, phones, internet connections, etc.).
- Program services are provided pro bono – attorneys, CPAs, insurance, etc.
- Building pays property taxes, but Center is non-profit.

General:

- See National Business Incubator website for additional information.
- Many start-ups are created by newly retired older adults.
- Currently five incubators in NH – after Concord's market would be saturated.
- PSU is interested in strengthening its ties with NHTI in Concord.

3. **Update on Main Street Project**

Mr. Baía provided a status update of the Main Street Project.

Mr. Carley thanked Mr. Sink and the Chamber for hosting the EDAC meeting.

The meeting adjourned at 8:56 a.m.

*Respectfully submitted,
Donna Muir*