



MINUTES

City Commission Workshop

5:00 PM - Thursday, August 4, 2022 - City Hall

CALL TO ORDER: 5:02 P.M.

ACKNOWLEDGEMENT OF QUORUM AND PROPER NOTICE

PRESENT: Commissioner Nan Cobb, Commissioner Willie Hawkins, Vice Mayor Emily Lee and Mayor Michael Holland

EXCUSED: Commissioner Karen LeHeup-Smith

1.0 WORKSHOP ITEM WITH COMMISSION DISCUSSION AND DIRECTION

1.0 Presentation of UCF Business Incubation Program

Tom Carrino, City Manager, announced that Economic Development Director Al Latimer would provide a presentation to the Commission regarding the proposed business incubation program which would be followed by a presentation by UCF.

Al Latimer, Economic Development Director for the City of Eustis, introduced the business incubation program concept as part of a comprehensive economic development strategy. He discussed the opportunity to partner with UCF to establish an incubator in Eustis. He stated that incubator programs rely on partnerships to leverage resources, knowledge, and strengths, and they also allow for sharing of costs and risks. He noted that UCF is nationally recognized for its incubation program. He provided an overview of the opportunity citing the reasons for starting a business incubator including the following: 1) Providing a resource to entrepreneurs who want to start a business; 2) Nurturing young businesses through the early growth stage; 3) Beginning more businesses in targeted sectors; 4) Creating diversity in the local economy; and 5) Creating jobs.

Mr. Latimer commented on the various funding models and possible reasons for failure of an incubator. He discussed short-term and long-term performance metrics with short-term results building towards a long-term platform. He discussed how a feasibility study could answer key questions for entrepreneurs and possible outcomes from the investment.

Rob Panepinto, Director of Strategy and Partnerships for the UCF Business Incubation System, and Carol Ann Logue, Director of Programs and Operations, presented the UCF Business Incubation Program “Unleashing Potential Together”. He noted that Mr. Latimer cited the strategic points that are included in UCF's assessment which was completed prior to presenting a

proposal to the City of Eustis. He stated their desire to implement the program as a piece of a larger puzzle. He commented on the program support services including mentorship, business development, business operations, capital, leadership development, and specialized space. He explained how each of those services benefit fledgling businesses.

Ms. Logue explained that the incubator does not subsidize low cost space. She added that the businesses will not be able to ever graduate if they are not used to paying market rate for their space.

Due to technical difficulties, the livestreaming started at approximately 5:12 p.m.

Mr. Panepinto stated that UCF has eight incubators in either innovation districts or regional business growth centers. He added his opinion that the City of Eustis would fall into a regional business growth center. He commented on the amount of intergovernmental cooperation in some of the incubators. He further commented on how expertise from the existing programs can be used to assist local businesses.

Ms. Logue commented on how the incubator would assist local businesses and how some assistance could be provided virtually. She cited the need to assist with financial management and legal issues pertaining to that. She explained the amount of service provided to their “traction clients” and cited some specific companies currently in one of their programs. She explained some companies come to them after having some rapid growth and needing assistance with how to move forward. She reviewed their Soft Landing program which focuses on businesses located outside of Florida but that are considering opening branches in Florida. She cited the differences with international companies looking to relocate to Orlando.

Ms. Logue then explained they track metrics and performance for each quarter from each of their client companies and cited some of the performance standards tracked. She provided a list of some of their funding partners and stated that for every public \$1 invested there is an economic impact of over \$10. She added that the economic development professional association does studies of the industry and consistently it has shown that incubation is the most effective job creation and economic development approach. She emphasized that a greater number of companies stay in the area that are supported by this type of program. She commented on the number of companies that fail within three to five years and emphasized how the incubation program reverses that trend with 90% of the program graduates still in business after five years.

Mr. Panepinto provided an overview of the program proposed for Eustis including the following: 1) One office to provide a dedicated resource to the area; 2) Meeting space for up to 40 participants to be provided by the City/Mega; 3) UCF full-time staff resource to engage with the community leaders who will build program awareness, identify prospect companies, build mentor and service provider networks and work with individual companies/entrepreneurs; 4) Leverage existing SBDC Lake County resources and existing

UCF resources; 5) Launch a virtual incubator to augment the fulltime staff; and 6) Host a minimum of two Business Bootcamp programs to support existing small businesses. He explained what a Bootcamp would include.

Ms. Logue commented on the City of Kissimmee program and stated they have already renewed and increased the number of companies they can serve through that program. She cited a platform they utilize called Growthwheel and explained how it is used by the participant companies.

Mr. Panepinto then commented on how a physical incubator space might evolve into an incubator facility based on local needs and the types of industry. He then cited the funding anticipated to be needed from the City with Ms. Logue explaining how that funding level was determined based on the cost of existing similar programs.

Commissioner Cobb asked about the fee for “traction” companies with Ms. Logue responding it is \$300 per month for all services with Mr. Panepinto indicating that the traction program is typically for one year.

Commissioner Cobb cited the SBDC program in Lake County and noted issues with that program. She asked what their involvement would be in the program with Ms. Logue noting the SBDC has changed their program in the past two years. She indicated that they do refer clients to the SBDC to avoid overlap of services and cited specific services the SBDC offers. She also commented on the SCORE program as another resource.

Commissioner Cobb confirmed that the Bootcamp is a stand-alone program with Ms. Logue explaining it is typically \$400 and is a ten-week program in 2.5-hour sessions.

Discussion was held regarding what is included in the Bootcamp program, how it may incorporate private sponsorships and use of funding from the cities and counties.

Commissioner Hawkins inquired about how long it would take to get the program running. Ms. Logue responded the main time constraint would be locating the right person to run the program and locating the program space. She explained the type of person that they would look for and how the search would be conducted.

Commissioner Hawkins asked about the city and county partnerships and confirmed those were created at the outset of each of those programs.

Ms. Logue noted that, throughout the history of their program, only three incubators have been shut down and that was due to lack of sufficient funding. She commented that the dynamics of city/county partnerships work best.

Mr. Panepinto explained that a city/county relationship does not mean the county dictates what is done in the program.

Ms. Logue commented on the need for long term commitment and building infrastructure in order for companies to build and stay local.

Commissioner Hawkins asked if they have inquired into other Lake County cities with Ms. Logue responding they haven't sought out but they did receive a call from the city of Mount Dora and they are scheduled to meet with her regarding the program.

Commissioner Hawkins asked if they would give the City time to consider the program before they approach other cities with Mr. Panepinto and Ms. Logue responding they are there because the City asked for their assistance and they will assist any community that approaches them for assistance.

Vice Mayor Lee stated she is a member of the Lake Sumter State College Board of Trustees and asked how they would connect with Lake Sumter and Lake Tech.

Ms. Logue responded one of the metrics they track are how many of a company's employees are students at the local educational facilities.

Vice Mayor Lee asked where the fees go that are charged for the traction program and the Bootcamp program with Ms. Logue stating that they go to support the cost of staff time, materials and, sometimes, additional professional assistance. She commented on how someone appreciates the program more if they have paid into it.

Vice Mayor Lee asked if they annually assess their program's success and do more of their participants stay in the area rather than moving out of the area.

Ms. Logue responded they do regular assessment of the program and the progress of the individual participants. She added that the participants tend to be more likely to stay in the area. She also stated they meet regularly with the participants.

Mr. Panepinto noted they would provide reports at least once or twice a year to the Commission regarding the program's progress. He indicated they would also advise the City on retaining those businesses.

Vice Mayor Lee commented on the City's efforts to figure out "who they are" and asked if they could help the City with that and whether or not they could also work with the high school students.

Ms. Logue indicated that they have had some interaction with high schools and middle schools; however, that has been primarily where the School District has some type of entrepreneur program. She noted their closest relationship has been in Seminole County as part of their "pathways" program where they place students in summer internships.

Vice Mayor Lee reiterated her question regarding if they could assist with the City's visioning process.

Ms. Logue stated they could contribute to that; however, their expertise is not in that area but they could participate as a component.

Commissioner Hawkins confirmed they would work with the City Manager and Economic Development Director to tailor the program to the City's needs.

Mayor Holland commented on the City's need to make a decision regarding the downtown properties and how they will need assistance for the businesses that will be in that area. He asked for a consensus for staff to work on the program and look at what funding may be available.

CONSENSUS: It was a consensus of the Commission for staff to move forward and bring it back for further consideration.

2.0 ADJOURNMENT: 6:05 P.M.

CHRISTINE HALLORAN
City Clerk

MICHAEL L. HOLLAND
Mayor/Commissioner

These minutes reflect the actions are taken and portions of the discussion during the meeting. To review the entire discussion concerning any agenda item, go to www.eustis.org and click on the video for the meeting in question. A DVD of the entire meeting or CD of the entire audio recording of the meeting can be obtained from the office of the City Clerk for a fee.