



## CITY COUNCIL ACTION FORM

<b>Department</b> Administration	<b>Presented by</b> Drew Nelson - City Administrator	<b>Date</b> May 18, 2021
-------------------------------------	---------------------------------------------------------	-----------------------------

### **ITEM**

**Funding Request – Central Mountain Resilient Entrepreneur Ecosystem Grant Application**

### **BACKGROUND**

Attached you will find an Executive Summary prepared by the Chaffee County Economic Development Corporation (EDC) and the Central Mountain Small Business Development Center (SBDC) with regard to a grant application they anticipate making to the Colorado Department of Local Affairs (DOLA). Said grant application would be to DOLA as part of their Rural Economic Development Initiative (REDI) program. The project is described as the Resilient Entrepreneur Ecosystem (REE).

The program being constructed by the EDC and SBDC would aspire to create a network of resources to support new start-up companies and expand services around innovative approaches to housing, healthcare, childcare and workforce development. This would include new training programs, assistance with access to financial resources, mentoring for new start-ups, collaborative meetings, and an assessment of the infrastructure we have available for entrepreneurs and start-ups here in Chaffee County. The attached executive summary details deliverables that the REE would benchmark during a 2- and 5-year period.

### **FISCAL NOTE**

The EDC and SBDC have requested \$15,087.50 in matching funds, which would unlock more than \$150,000 in grant dollars from DOLA. Chaffee County (\$55,000) and the Town of Buena Vista (\$11,537) have committed funding to this grant application as part of a collaborative effort.



**CITY COUNCIL ACTION FORM**

<b>Department</b> Administration	<b>Presented by</b> Drew Nelson - City Administrator	<b>Date</b> May 18, 2021
-------------------------------------	---------------------------------------------------------	-----------------------------

**STAFF RECOMMENDATION**

Staff recommends that the City Council approve an expenditure of \$15,087.50 from the Economic Development Fund to support the EDC and SBDC's application to DOLA's REDI grant program for the Central Mountain Rural Entrepreneur Ecosystem program.

**SUGGESTED MOTION**

A City Councilperson should make a motion as follows:

"I move to approve the expenditure of \$15,087.50 from the City's Economic Development Fund to support the Chaffee County Economic Development Corporation and the Small Business Development Center's application to the Rural Economic Development Initiative program for the Central Mountain Rural Entrepreneur Ecosystem, and further instruct the Mayor and City Administrator to provide any necessary documentation to memorialize the City's support of said grant application."

Followed by a second and a roll call vote.

## Central Mountain - Resilient Entrepreneur Ecosystem (REE)

DOLA Grant Narrative: Executive Summary



### BACKGROUND

The Chaffee County Economic Development Corporation (EDC) and Central Mountain Small Business Development Center (SBDC) are leading an initiative to promote entrepreneurial growth in Chaffee County as a strategy for economic recovery, resilience to future disruptions, and the creation of greater wage diversity and economic diversification.

This plan, called the Central Mountain Resilient Entrepreneur Ecosystem (REE,) has broad support among community governments, business support organizations, the Chaffee Community Foundation, and numerous area entrepreneurs and business community members. To further the REE plan and its associated work, the EDC and SBDC are pursuing a Department of Local Affairs (DOLA) Rural Economic Development Initiative (REDI) grant.

### LOCAL MATCH REQUEST

The grant, due May 21, requires local matching funds of 25% the first year, 50% the second year, to be realized in the current year but funding a two year period of work. **Chaffee County has approved its contribution of \$55,000 and Buena Vista has approved its contribution of \$11,537.** County funds are contingent on approval of a funding request for Salida of \$15,087.50. Taken together, Salida's match will unlock just more than \$150,000 in DOLA REDI funds and more than \$220,000 in total non-City funding.

### PROJECT SUMMARY

The Central Mountain Resilient Entrepreneur Ecosystem (REE) is a programmatic network of resources to support growth-oriented early stage companies, rural innovation and **encourage private sector entrepreneurial activity to address community challenges including housing, healthcare, childcare, and workforce development.** This economic expansion and diversification strategy includes the creation of programs and events designed to increase economic opportunity and address community needs.

REE efforts will support economic recovery and resilience, diversification, new firm and job creation, and solutions to identified community challenges. This strategy includes tactics to drive the development and attraction of key resources needed to support new startup formation and existing business acceleration:

1. **Micro Accelerator Program** – Annual 8-week accelerator program. Cohorts of 10 companies per year receive intensive training around business growth strategies.
2. **Access to Capital** – Development of new and more capital sources, including a network of local angel investors and exploration of a community revolving loan fund.
3. **Mentorship Network** – Experts willing and available to support growing firms.

4. **Education & Training** – Curriculum including Lean Startup and Lean Canvas, as well as startup growth basics like investor pitch training, team structures, accounting, finance, and leadership development.
5. **Online Collaboration Platform for Entrepreneurs** –Startup Colorado Central Mountain platform to connect entrepreneurs with educational, financial, and collaborative resources.
6. **Meetups & Focus Groups** – Programs to build a culture of collaboration and innovation. A “center of gravity” for a geographically dispersed startup community.
7. **Economic Climate & Collaborative Infrastructure Assessment** – Needs assessment to evaluate business infrastructure (broadband, housing, childcare, coworking, local and county public policy) through the lens of entrepreneurship.

## PROJECT OUTCOMES/GOALS/DELIVERABLES

(2-year in black, 5-year in red)

- 10 new business starts (30)
- 10 Existing companies accelerated (20)
- 50 jobs created (300)
- \$3MM in Annual Earned Income/Wages (15MM)
- \$2MM in Capital Raised (6MM)
- 10 local angel investors defined
- 20 mentors defined and inventoried
- 1 new shared workspace venues and/or maker space/incubators (3)
- 250 Entrepreneur and/or Startup Client Consulting Sessions (1,250, SBDC)
- 450 attendees for Training Events annually
- Trusting, Connected Ecosystem
- Culture of Innovation
- Grow Tax Revenue to Cities, Counties
- National recognition as a Model for Rural Success

## PROJECT START/END DATES

August 2021 to June 31, 2023



**Resilient Entrepreneur Ecosystem (REE) - GRANT DRAFT BUDGET OPTIONS**

**NEW option - DOLA request of \$156,250**

<b>Detailed Line Item: (2 years)</b>	<b>Total Cost:</b>	<b>REDI Request:</b>	<b>Cash Match:</b>	<b>Source</b>
Chaffee County EDC - Exec. Dir. Oversight and Mgmt)	0	0		EDC
Personnel & Benefits (Program Director, year one)	60,000	45,000	15,000	Local
Personnel & Benefits (Program Director, year two)	60,000	30,000	30,000	Local
Micro Accelerator (2022) - Events & Mktg	30,000	22,500	7,500	Local
Micro Accelerator (2023) - Events & Mktg	25,000	12,500	12,500	Local
Ideas Fest & Pitch Competition (2022) - Events & Mktg	30,000	22,500	7,500	Local
Ideas Fest & Pitch Competition (2023) - Events & Mktg	25,000	12,500	12,500	Local
Revolving Loan Fund (One Time Admin, Setup, Modeling)	15,000	11,250	3,750	Local
<b>TOTAL: (2 Years)</b>	<b>245,000</b>	<b>156,250</b>	<b>88,750</b>	

**Current Proposal - DOLA request of \$156,250**

<b>Plan Option A</b>	<i>*cost reduction as a program of the EDC</i>
<b>Total Program Year One: 135,000</b>	<i>*\$35,000</i>
<b>Total Program Year two: 110,000</b>	<i>*\$35,000</i>
<i>Total REDI Request: \$156,250</i>	<i>*43,750</i>
Total Local Govt Match two years: \$88,750	<i>*26,250</i>
Total County: \$55,025	<i>*15,000</i>
Total Salida: \$15,087.50	<i>*4912.50</i>
Total BV: \$11,537.50	<i>*3462.50</i>
Total Poncha: \$7,100	<i>*2900</i>

Previous Proposal - DOLA request of \$200,000

Detailed Line Item: (2 years)	Total Cost:	REDI Request:	Cash Match:	Match
Personnel & Benefits (Exec Director, year one)	95,000	71,250	23,750	Local
Personnel & Benefits (Exec Director, year two)	95,000	47,500	47,500	Local
Micro Accelerator (2022) - Events & Mktg	30,000	22,500	7,500	Local
Micro Accelerator (2023) - Events & Mktg	25,000	12,500	12,500	Local
Ideas Fest & Pitch Competition (2022) - Events & Mktg	30,000	22,500	7,500	Local
Ideas Fest & Pitch Competition (2023) - Events & Mktg	25,000	12,500	12,500	Local
Revolving Loan Fund (One Time Admin, Setup, Modeling)	15,000	11250	3,750	Local
<b>TOTAL: (2 Years)</b>	<b>315,000</b>	<b>200,000</b>	<b>115,000</b>	

<b>Plan Option A</b>
<b>Total Program Year One: 170,000</b>
<b>Total Program Year two: 145,000</b>
<i>Total REDI Request: \$200,000</i>
Total Local Match two years: \$115,000
Total County: \$70,000
Total Salida: \$20,000
Total BV: \$15,000
Total Poncha: \$10,000