



## **Request for Proposals**

### **Consulting Services to Establish an Innovation Center (Business Incubator) for Sarasota and Manatee Counties in Florida**

The Economic Development Corporation of Sarasota County and the Manatee Economic Development Council (hereinafter referred to as the "EDCs") will accept proposals from individual or firms for the purpose of **preparing a business plan for the South Tampa Bay Innovation Center.**

TIME AND DATE DUE: Twelve (12) signed copies and an electronic PDF version of the proposal must be received no later than 12:00noon, ET, April 9, 2010. Responses shall be labeled "Proposal for Innovation Center" and delivered to the Economic Development Corporation of Sarasota County, 2601 Cattlemen Road, Suite 102, Sarasota, Florida 34232.

#### **FOR INFORMATION, CONTACT:**

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Economic Development Corporation of Sarasota County  
2601 Cattlemen Road, Suite 102  
Sarasota, Florida 34232

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## **Background**

The overall objective for the South Tampa Bay Innovation Center (Business Incubator) is to facilitate the success and growth of traded-sector businesses in Sarasota and Manatee counties that utilize design thinking in the development of their product or service. This objective is consistent with the economic development missions of both counties to create a more diverse and sustainable economy that is less reliant on legacy industries such as real estate development, tourism and agriculture. See attached white paper for additional information.

The goals for the Innovation Center may include, but would not be limited to:

- Providing business support to startups to increase their opportunity for success and to keep them in the community.
- Expanding traded-sector businesses in Manatee and Sarasota counties.
- Creating high wage, value added jobs in these innovative, creative firms to diversify the job base.
- Facilitating tech transfer, collaboration and economic development in these firms.

The Economic Development organizations in Manatee and Sarasota counties have convened a Steering Committee to guide development of the concept. The Steering Committee is seeking consulting services to prepare a business plan for the Innovation Center and to assist in its establishment.

## **Qualifications**

The ideal respondent will possess extensive experience preparing business plans for successful Business Incubators, as well as consulting on or leading the startup and/or operation of such entities.

Respondents must supply a minimum of three professional references to establish their credentials in the arena of Business Incubator formation and operations.

## **Scope of Work**

The consultant shall:

1. Prepare a business plan to guide the establishment and operations of the Innovation Center (Business Incubator). Contents of the plan shall include but are not limited to those outlined in Exhibit A. Plan development shall be conducted in collaboration with the Innovation Center Steering Committee, the Economic Development Corporation of Sarasota County, the Manatee Economic Development Council and other stakeholders as identified by the Steering Committee, EDCs and consultant.
2. A draft business plan shall be delivered within 60 days of notice to proceed. A final business plan shall be delivered within 90 days of notice to proceed.

3. Provide up to six presentations of the final business plan to community leaders and leadership groups as identified by the Steering Committee and the EDCs.
4. Provide ongoing consultation for a period of approximately 8-10 months after delivery of the final business plan to:
  - a. Participate in selecting the Innovation Center's (Business Incubator's) chief executive; and
  - b. Facilitate establishment of the organization and processes.

**Proposal Instructions**

Respondents shall submit twelve (12) hard copies and an electronic PDF version of their proposal by 12 noon on Friday, April 9, 2010. The response format shall contain a letter of transmittal and additional pages that itemize the following five (5) topic areas in order:

- a. The respondent's overall approach to the creation of the business plan.
- b. Additional recommendations for the creation of the business plan not specifically mentioned in this RFP.
- c. A detailed budget for the creation of the business plan including an estimate and budget for the hours required for the ongoing consultation following the development of the business plan.
- d. A minimum of three references as mentioned in the qualifications.
- e. Any additional information that may assist the Steering Committee in its evaluation.

**Evaluation and Notification of Firms**

Individuals or firms responding to this Request for Proposal by the deadline date of 12 noon, Friday, April 9, 2010 will be notified by 5:00 PM on April 23, 2010 whether or not they have been selected.

## Exhibit A

### Suggested Business Plan Components

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#### EXECUTIVE SUMMARY

##### 1.0 BACKGROUND

- 1.1 Business Incubation Overview
- 1.2 Rational for Creation of Incubator
- 1.3 Focus of this Business Plan

##### 2.0 MISSION, OBJECTIVES AND BENEFITS

- 2.1 Suggested Objectives and Mission
- 2.2 Identification of and Benefits to Stakeholders

##### 3.0 ORGANIZATIONAL STRUCTURE

- 3.1 Structure Alternatives
- 3.2 Governing Board
- 3.3 Staffing

##### 4.0 SERVICE OFFERINGS

- 4.1 Direct Business Development Assistance
- 4.2 Professional Network and Relationship Support
- 4.3 Educational Programs
- 4.4 Facility-Based Services

##### 5.0 CLIENT SELECTION

- 5.1 Application Process
- 5.2 Evaluation Criteria
- 5.3 Graduation Policies
- 5.4 Anchor Tenants

##### 6.0 FACILITY

- 6.1 Site Analysis / Description
- 6.2 Size and Space Allocation
- 6.3 Additional Facility Recommendations

##### 7.0 IMPLEMENTATION PLAN

- 7.1 Timelines
- 7.2 Critical Issues

##### 8.0 BUDGET AND FINANCIAL

- 8.1 Facility Development Budget
- 8.2 Capital Expenditure Budget
- 8.3 Five-Year Operating Budget

##### 9.0 FUNDING SOURCES

- 9.1 Potential Funding Sources
- 9.2 Other Funding Sources

##### 10.0 SUCCESS MEASURES

# **South Tampa Bay Innovation Center**

## **Exploring the Possibilities for a Business Incubator**

### **Business Incubation**

According to the National Business Incubator Association (NBIA), business incubators nurture the development of entrepreneurial companies, helping them survive and grow during the start-up period, when they are most vulnerable. These programs provide their client companies with business support services and resources tailored to young firms. The most common goals of incubation programs are creating jobs in a community, enhancing a community's entrepreneurial climate, retaining businesses in a community, building or accelerating growth in a local industry, and diversifying local economies.

NBIA estimates that as of October 2006, there were more than 1,400 incubators in North America, up from only 12 in 1980. Of those, 1,115 were in the United States, 191 were in Mexico and 120 were in Canada. NBIA estimates that there are about 7,000 business incubators worldwide. The incubation model has been adapted to meet a variety of needs, from fostering commercialization of university technologies to increasing employment in economically distressed communities to serving as an investment vehicle.

Incubation programs come in many shapes and sizes and serve a variety of communities and markets:

1. Most North American business incubators (about 94 percent) are nonprofit organizations focused on economic development. About 6 percent of North American incubators are for-profit entities; usually set up to obtain returns on shareholders investments.
2. 54 percent are "mixed-use," assisting a range of early-stage companies.
3. 39 percent focus on technology businesses.
4. About 4 percent focus on service businesses, serve niche markets or assist other types of businesses.
5. 3 percent serve manufacturing firms.
6. About 53 percent of business incubators operate in urban areas, 28 percent operate in rural areas and about 19 percent operate in suburban areas.

Incubator sponsors – organizations or individuals that support an incubation program financially – may serve as an incubator’s parent or host organization or may simply make financial contributions to the incubator.

- About 31 percent of North American business incubators are sponsored by economic development organizations.
- 21 percent are sponsored by government entities.
- 20 percent are sponsored by academic institutions.
- 8 percent are sponsored by other types of organizations.
- 8 percent of business incubators are “hybrids” with more than one sponsor.
- 4 percent are sponsored by for-profit entities.
- 8 percent of incubators have no sponsor or host organization.

### **Local Background**

In the early 1990s, a small incubator in Sarasota County supported primarily service-based businesses. The incubator was supported financially by the Sarasota County School Board with some minimal support from local business sponsors. The incubator closed due to lack of funding in the mid-1990s. Two private, for-profit incubators currently operate in Sarasota and Manatee counties. The HuB operates in downtown Sarasota as a destination for entrepreneurs, artists and professionals to connect and share ideas. ComCenter provides affordable office space and shared services for small businesses in two locations in Manatee County. A publicly supported incubator focused on traded-sector businesses does not exist in the region.

In 2003, Dan Miller and Rich Swier launched Startup Florida Ventures, a private, for-profit incubator and managed angel fund composed of approximately 50 individual investors. Startup Florida has invested close to \$10 million in seven companies while assisting scores of other entrepreneurs by providing a supportive environment, access to a network of business professionals, advisors and strategic consultants.

In the fall of 2006, the principals of Startup Florida approached the Economic Development Corporation of Sarasota County and the Economic Development Council, Manatee Chamber of Commerce, to request support for a public-private incubator. The vision was a community-driven partnership dedicated to providing early-stage technology companies with the tools, education, training and infrastructure necessary to create enterprises that are financially successful and that create high-wage, traded-sector jobs for the community. Startup Florida offered to manage and provide technical support for the companies and asked the EDCs to identify adequate space and funding.

The EDCs embraced the overall vision and began to explore potential partnerships for the incubator. Meetings and conversations were held with the University of South

Florida, the Florida High Tech Corridor, the incubator program at University of Central Florida, and Manatee and Sarasota county government officials. In addition, staff attended the National Business Incubator Association meeting in May 2008 to explore best practices.

A particularly attractive model that came to light during the exploratory period is the University of Central Florida (UCF) incubator model. UCF manages the primary incubator on campus and oversees five satellite incubators in communities within the region. The operational funding for the satellites is provided by the community and the university provides oversight, connections to resources and advisory services.

Client and graduate companies of the UCF incubator generated nearly \$200 million in total economic impact in 2009, according to a study commissioned by the Florida High Tech Corridor Council. The analysis also showed that the program is responsible for facilitating the creation of more than 1,600 jobs in the region and that every \$1 invested by local governments and the Council participating in the UCF incubator program is returning at least \$5.25 in local government revenues in the form of property taxes and sales taxes.

In June 2008, during a joint EDC board meeting, the two boards agreed that an incubator focused on traded-sector businesses was an appropriate bi-county project and that we should continue to explore that opportunity. This paper begins to more specifically define the objectives of the program, the potential partnerships and the operating plan of a South Tampa Bay Innovation Center.

## **Objectives**

The overall objective for the South Tampa Bay Innovation Center is to facilitate the success and growth of traded-sector businesses in Sarasota and Manatee counties that utilize design thinking in the development of their product or service. (Please refer to Exhibit A for a description of design disciplines). This objective is consistent with the missions of the EDCs to create a more diverse and sustainable economy that is less reliant on legacy industries such as real estate development, tourism and agriculture.

The goals for the incubator may include, but would not be limited to:

- Providing business support to startups to increase their opportunity for success and to keep them in the community.
- Expanding traded-sector businesses in Manatee and Sarasota counties.
- Creating high wage, value added jobs in the these innovative, creative firms to diversify the job base.
- Facilitating tech transfer, collaboration and economic development in these firms.

### **Key Partners/Sponsors**

Successful incubators typically have many partners and supporters, including public and private organizations and entities at the federal, state, regional and local levels. The majority of incubator professionals agree that, at a minimum, a startup incubator will require support from the community and a potential university partner during its formative years.

Partners for the South Tampa Bay Innovation Center may include, but would not be limited to the following entities:

- University of South Florida, Tampa Technology Incubator (management and oversight; funding; research & development support, connections to financial resources; advisory)
- University of South Florida, Sarasota-Manatee (facility; professional management expertise; student internship involvement)
- Sarasota and Manatee county governments (funding and advisory)
- Ringling College of Art + Design (student internship involvement, design services)
- State College of Florida (student internship involvement)
- New College of Florida (professional management expertise and student internship involvement)
- Tampa Bay Technology Forum (potential tenant identification, networking, informational workshops and professional management expertise)
- Suncoast Technology Forum (potential tenant identification, networking and informational workshops)
- Florida High Tech Corridor (connection to technology transfer, connection to state resources, advisory and funding)
- University of Central Florida or University of Florida as an alternative to USF

The EDCs propose that the University of South Florida and Manatee and Sarasota county governments be the leading partners for the creation and startup of the incubator. The Florida High Tech Corridor has committed \$10,000 annually for five years to the incubator's operation.

### **The Business Plan**

**Starting Premise:** The South Tampa Bay Innovation Center will be a community investment whose return is in jobs and businesses created and not in net income. A minimum five-year commitment will be required to provide the incubator with an appropriate amount of time to show a return on investment.

**Focus:** The South Tampa Bay Innovation Center will focus on traded-sector firms that use design thinking in the development of their product or service. This focus may include, but would not be limited to firms involved in service design (computer software, database management digital media, web-enabled technologies, internet protocols, informatics, website design and development, security, IT services, electronics, film and video production, simulation, communications, animation, gaming and product design (computer hardware, medical and surgical devices; pharmaceuticals) and a broad array of related businesses. (See Exhibit A).

**Location:** Given the nature of a bi-county incubator, the ideal location will be near the border of Manatee and Sarasota counties and preferably near the state university partner so that there is ease of access to resources. However, if there is adequate space available well below market rates, then consideration should be given to that space regardless of location.

**Incubator Services:** The South Tampa Bay Innovation Center will initially provide basic incubator services and over time may grow those services as the incubator matures. It will also provide services to businesses not located within the incubator. The basic services to be offered will include:

1. Management guidance and support (mentoring).
2. Technical assistance and consulting (training, business plan, budgeting, marketing).
3. Subsidized real estate.
4. Shared business services (receptionist, access to IT, office equipment).
5. Access to resources (financial, networking, university support including technology transfer).

**Seed Money:** An initial investment of seed money will be required to fund the full development of a business plan and for consultation with professionals to assist with the myriad of tasks required for the incubator’s start up. It is estimated that this initial investment will be \$50,000 - \$60,000. These funds may be available from local foundations eager to assist with the development of an incubator.

**Total Estimated for Seed Money    \$ 60,000**

**Capitalization Costs:** Funding for capital costs will be requested from foundations and the key partners.

Renovation of space	\$ 50,000
Furniture & equipment	30,000
Network system/software	30,000
Communications system	15,000
Marketing expense	5,000
Miscellaneous	<u>5,000</u>

**Total Estimated for Capitalization \$135,000    I**

**Estimated Annual Operating Budget**

Occupancy (7,500 – 10,000sf)	\$160,000
Personnel	185,000
Business services	90,000
Administrative & marketing	<u>75,000</u>

**Total Estimated Operating Costs                    \$510,000**

**Estimated Annual Revenue**

Application fees @ \$500	\$ 7,500
Tenant rentals	80,000
Fees for other services	7,500
Florida High Tech Corridor	10,000
Grants	25,000
Investment by university partner	80,000 (may be in-kind space)
Investment by county partners @ \$150,000	<u>300,000</u>

**Total Estimated Revenue                                \$510,000**

## Next Steps

The EDCs have convened a bi-county incubator Steering Committee and have received preliminary agreement from the members that an incubator strategy is appropriate and that they are willing to support the plan outlined above. Steering Committee members include:

Joe Barbetta	Brian Kennelly
Rob Brady	Hugh Middlebrooks
John Chappie	Anand Pallegar
Arthur Guilford	Stan Rutstein
Mike Kennedy	

Five simultaneous strategies will be pursued to move the concept forward:

1. **Fund raising:** Initially funds will need to be raised for seed capital to create the business plan and coordinate the incubator startup including renovation of the space. Subsequently a commitment will be needed by the various partners to fund the operation of the incubator over an initial five-year period.
2. **Property:** USF Sarasota Manatee has identified potential space for the incubator in a former motel property owned by the university. The space will need to be renovated and equipped to accommodate businesses.
3. **Program:** The Steering Committee will assist in determining the services and program that will be offered to businesses in the Center as well as those offered to businesses not physically located in the facility.
4. **Management:** Consideration will be given to the management structure for the incubator. An advisory board consisting of representatives from the investors will guide the development and ongoing operation of the program.
5. **Marketing:** A marketing plan to attract potential clients to the incubator will be developed and implemented.

## EXHIBIT A

### South Tampa Bay Innovation Center Design Disciplines Under Consideration

#### Commerce

- [Business design](#)
- [New product development](#)
- [Packaging design](#)
- [Product design](#)
- [Service design](#)

#### Applications

- [Experience design](#)
- [Game design](#)
- [Interaction design<sup>12</sup>](#)
- [Software design](#)
- [Software development](#)
- [Software engineering](#)
- [System design](#)
- [User experience design](#)
- [User interface design](#)
- [Web accessibility](#)
- [Web design](#)

#### Communications

- [Book design](#)
- [Color design](#)
- [Communication design](#)
- [Content design](#)
- [Exhibition design](#)
- [Graphic design](#)
- [Information design](#)
- [Instructional design](#)
- [Motion graphic design](#)
- [News design](#)
- [Production design](#)
- [Sound design](#)
- [Theatrical design](#)
- [Typeface design](#)
- [Typography](#)
- [Visual communication](#)

#### Scientific and mathematical

- [Combinatorial design](#)
- [Design of experiments](#)

#### Physical

- [Architectural design](#)
- [Architectural engineering](#)
- [Automotive design](#)
- [Cellular manufacturing](#)
- [Ceramic and glass design](#)
- [Design engineer](#)
- [Environmental design](#)
- [Fashion design](#)
- [Floral design](#)
- [Furniture design](#)
- [Garden design](#)
- [Geometric design](#)
- [Industrial design](#)
- [Interior design/redesign](#)
- [Landscape architecture](#)
- [Mechanical engineering](#)
- [Sustainable design](#)
- [Urban design](#)