



**Small Business Incubator
For
Creative and Technology Businesses**

**Request for Proposals (RFP)
2014**



Small Business Incubator

Request for Proposals

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1. Purpose: The City of Santa Clarita, in partnership with the College of the Canyons and the Santa Clarita Small Business Development Center (SBDC), is seeking proposals from creative and technology business entrepreneurs interested in leasing low-cost office space in the Santa Clarita Small Business Incubator (Incubator). This will provide start-up companies with support and guidance, including one-on-one consulting services, workshops, mentorship, networking, and other resources in a shared work space for up to three years.

In conjunction with the City's ongoing support of local business and business-friendly environment, the Incubator will create synergy and partnerships among local entrepreneurs and professional business organizations that will equip start-up businesses with tools and skills to launch a successful business in the City's growing arts and entertainment district in Old Town Newhall. Interested entrepreneurs are encouraged to respond to this unique opportunity that will assist and guide them through the process of establishing themselves as a successful business within the Santa Clarita Valley.

Santa Clarita Business Incubator
22704 West Ninth Street
Santa Clarita, CA 91321

The mission of the Santa Clarita Business Incubator is to stimulate economic growth through entrepreneurship and enterprise development. In order to achieve this mission, the Santa Clarita Business Incubator will recruit, train, and nurture our community's entrepreneurial talent to fuel growth and create wealth. The Santa Clarita Business Incubator will provide a sustainable environment in which new and emerging companies in the creative and technology industry sectors can develop and achieve growth, with the end result being profitable businesses, job creation, capital generation, and a positive impact on the Santa Clarita community.

Proposals are due to the City of Santa Clarita on Thursday, October 16, 2014, as outlined in Section 7. All appropriate ventures will be considered and evaluated by a panel of business development professionals. The strongest proposals will be scheduled for an in-person interview; and a final group of four to six businesses will be selected for participation in the program. The Incubator is scheduled to open in the fall of 2014.

2. Introduction/Background: The Incubator program will create a cohort of businesses that will share in the journey of establishing their new businesses together. The Santa Clarita Business Incubator for creative and technology business entrepreneurs has been designed to provide program participants with training, guidance, and support. Incubator clients will have access to individual and shared work spaces, including a conference room and meeting room, which will be shared with City staff who will also occupy part of the building. The Incubator was designed with the goal of encouraging partnerships and interaction among participants that will generate innovative and creative ideas among clients for the benefit of each individual business throughout the incubation process.
3. Incubator and Program Features: The City, in partnership with the Small Business Development Center will provide the following services and resources to Incubator entrepreneurs:

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- A. One-on-One Consulting Services: Consulting services will be determined through an initial meeting with the Assistant Director of the SBDC who will develop a Scope of Work with the entrepreneur. Entrepreneurs will need to sign the SBDC Request for Consulting Services Agreement and the Scope of Work. Typical Scopes of Work will provide for an SBDC Business Advisor to meet with the entrepreneur for an hour once or twice per month to work on specific business topics, such as business plans, accessing capital, marketing, and other topics depending on the individual business' identified needs. Meetings may be held at the Incubator, if space is available, or at the SBDC consulting center at College of the Canyons.

The goal of the consulting services is to help the entrepreneur start and grow his/her business and achieve economic milestones. Milestones achieved will be recorded as part of the SBDC Consulting Engagement.

- B. Bi-Monthly Workshops: Workshops for all Incubator clients will focus on developing skills, providing resources, and other areas of interest to all Incubator clients, such as pitching to angel investors.
- C. Quarterly Meetings with Industry Experts: Meetings with successful entrepreneurs and industry experts will address topics of interest to all Incubator entrepreneurs and may include intellectual property attorneys and angel investors.
- D. Mentorship Program: Mentorship relationships will be initiated with industry experts to provide additional guidance and support to Incubator clients.
- E. Partners Program: Incubator clients will have access to various partners providing pro bono and low cost services, such as the following provided by Poole & Shaffery Attorneys at Law (among others):
- a. Free legal assistance for entrepreneurs to create the desired/proper business entity i.e. LLC, and basic business governance advise.
 - b. Substantially discounted fees for other business startup work including drafting/reviewing of financing agreements, lease agreements, investment agreements, assistance with trademark registration and advice on intellectual property matters.
- F. Access to SBDC resources of benefit to the clients including:
- Business Incubation Network of Southern California (BINS)
 - Small Business Development Center Network (SBDC NET)
 - Center for International Trade & Development (CITD) network
- G. Additional Resources:
- Shared classroom and meeting room
 - High-Speed Internet
 - Printer/copier
 - 1 part-time administrative support staff
 - 6 months free rent
 - Handicap accessible facilities

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4. Eligibility Requirements: Interested companies will need to meet the following requirements prior to selection, in order to be eligible for the program and as part of the application process.
 - Be a creative or technology business in the start-up or innovation stage
 - Agree to have at least one employee on-site, at the Incubator, on a regular basis
 - Have adequate financial resources to operate the business for at least six (6) months
 - Certify that there are no legal claims or lawsuits pending against the business or individual at the time of this application
 - Submit a written business summary, including product idea and concept, potential markets, general financials, and resumes of each principal of the business
 - Attend a personal interview session with the Incubator management team
 - Complete and submit an application form (attached in Section 13) along with other required attachments as described in Section 9 (Proposal Format and Submission).

5. Client Responsibilities: Clients will participate in scheduled individual and group workshops and trainings; these will be coordinated based on the needs and interests of the participating companies. Incubator clients will be evaluated at the initiation of the program and annually to determine progress and program participation. Incubator program participants will receive ongoing support and services beyond program participation such as annual check-ins and consultation with the SBDC.

Additionally, companies selected to participate in the Incubator program will agree to:

- Complete a lease agreement with the City of Santa Clarita.
 - Seek and accept assistance from the Incubator technical assistance program and its network of service providers, as outlined in Section 3 of this RFP (Incubator and Program Features).
 - Submit a performance report to Incubator management no later than sixty (60) days prior to lease renewal or as requested by the City. ***Lease renewal is contingent upon adequate progress toward milestones, as reported in the performance report.***
 - Coordinate the use of meeting rooms through Incubator administrative support staff.
 - Utilize the Incubator for official company business only.
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6. Lease Agreement: The selected entrepreneurs will enter into an agreement with the City of Santa Clarita for client space and program participation in the Santa Clarita Business Incubator. The lease will be for the term of one year with an option to renew for a maximum of three years; Incubator clients will receive six months of rent free, and will agree to pay a low-cost monthly lease amount beginning on the seventh month.

Lease Amount: \$300.00 per month beginning on the seventh month

The following outlines major components of the lease agreement.

- Tenants will be required to sign a lease that will include building rules and regulations, support services, resources, and information technology policies.

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- Tenants will be required to obtain and keep in force comprehensive general liability insurance.
- Tenants will provide their own telephone services. High speed internet and all other utilities will be provided by the Incubator program.
- Tenants are responsible for their own mail postage.
- Tenants will agree to participate in scheduled SBDC group and individual activities and to report on progress and milestones achieved.
- Termination from the incubator program will simultaneously result in termination of building tenancy.

7. Schedule & Timeline:

Program Information Session	October 2, 2014
Last Day to Ask Questions	October 10, 2014
Proposal Deadline	October 16, 2014
Evaluation of Proposals	October 20-22, 2014
Interviews	October 23-24, 2014
Recommendation to City Council	October 28, 2014
Grand Opening	November 2014
Program Evaluation	Annually
Program Completion Date	2017

8. Program Information Session: An information session will be held to provide interested applicants with a chance to ask questions or learn more about this program. Interested companies are highly encouraged to attend this informative session. Details related to the information session are as follows:

October 2, 2014
2:30 p.m. to 4:30 p.m.
Location: Old Town Newhall Library
24500 Main Street, Community Room
Santa Clarita, CA 91321

Please submit RSVPs via email to kmonterrosa@santa-clarita.com confirming your attendance along with the following information.

Company Name:
Phone Number:
Email:
Address:
Brief description of your company product or service:
How many individuals plan to attend?

9. Proposal Format and Submission: Submit one copy of the attached application form, a business plan or concept paper, resumes, and any other attachments you would like considered, along with a thumb drive containing your complete submission to the following address no later than Thursday, October 16, 2014 at 5:00p.m.:

Karla Monterrosa
Administrative Analyst

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City of Santa Clarita - Economic Development Division
23920 Valencia Boulevard, Suite #100
Santa Clarita, CA 91355

10. Client Selection Criteria: In order to be eligible for participation in the Incubator program, entrepreneurs will need to meet the following minimum standards:
- Be a creative or technology business in the startup or innovation stage
 - Identify the number of personnel to be located at the Incubator
 - Be in alignment with the Incubator mission statement (See Section 1)
 - Have job creation potential
 - Be founded on sound technical and business principals
 - Have either a business plan or multiyear financial plan based on sound assumptions
 - Have a working prototype, product, or be in the process of developing a product
 - Demonstrate a need or niche market for their product or service
 - Have principals or a management team willing to participate fully in the incubation program
 - Have adequate resources to pay rent, salaries, and overhead for at least six months
 - Be a good fit for and not in competition with other Incubator client companies
 - Pass a credit check
 - Have space needs that the incubator can accommodate
 - Have plans to remain in the region upon graduation from the Incubator program
 - Demonstrate potential to increase the local tax base
 - Demonstrate that they will be able to sell their product or services at a specified gross margin
 - Demonstrate a need for the incubation process.
11. Contract Award: Proposals will be reviewed for minimum qualifications; the City of Santa Clarita will notify applicants by email if they are selected to schedule an individual interview with the evaluation panel for further consideration. Entrepreneurs selected for participation in the Incubator program will be recommended to the Santa Clarita City Council for final approval at the regular City Council meeting scheduled on Tuesday, October 28, 2014. Applicants who wish to attend the City Council meeting, may do so, but will not be required to speak or make presentations.
12. Questions: Questions may be submitted in writing to kmonterrosa@santa-clarita.com via email. A question and answers document will be posted to the Incubator website at <http://econdev.santa-clarita.com/santa-clarita-business-incubator/> and updated weekly. The last day to submit questions will be Friday, October 10, 2014.

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13. Attachment:

Attachment A

Application Form

Company Name	
Contact Name	
Address	
Phone	
Email	

1. Please identify the industry sector or sectors that would best characterize your business.
2. Please describe the products or services to be offered.
3. At what stage of development are the products or services you wish to market through your business?
4. Please submit the following with your application:
 - Completed business plan or concept paper
 - Business summary
5. Are you pursuing this business on a full-time or part-time basis?
6. How many people, including you, are employed in the business (provide a list of names and titles)?
7. Do you have a management team established for this venture? If yes, what areas of expertise does the management team possess (attach resumes)?
8. Do you have adequate financial resources to operate your business for at least six months? Please describe, indicating the source of funds.
9. Please describe your business goals for the next three months, one year, and three years.
10. Please provide a brief description of the challenges your business is facing to achieve your identified goals and how your company would benefit from Incubation.
11. Do you anticipate hiring employees in the next three months, one year, or three years? If so, how many employees and for what positions?

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12. How many individual work spaces do you need in the incubator?

13. Please identify the type(s) of assistance you are seeking:

General Business Assistance	
Market Research	
Marketing/Sales	
Business Plan Preparation	
Legal Services	
Accounting Services	
Financial Services	
Management/Operations	
Human Resources	
Product Development	
Equity Financing	
Manufacturing/Production Services	

I, _____ as an authorized representative of _____,
hereby submit this application to the City of Santa Clarita for review and consideration; I have read and understood the requirements for participation in the Small Business Incubator program and I will make myself available for interviews and throughout the selection process, based on the above timeline or as revised by the City; I certify that all the information provided within this application is true and correct.

Signature: _____ Date: _____