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Future Direction of the Gainesville Enterprise Technology Center (NB)

During the past several months Commissioner Scherwin Henry has facilitated a discussion with various community members and stakeholders to explore future programming and operations of GTEC. Commissioner Henry will review the issues discussed and will provide recommendations for the City Commission's consideration.

Community members celebrated 10 years of success for Gainesville's Technology Enterprise Center in 2011. As the City's first business incubator, occupants of GTEC have been provided programmatic assistance and space to develop early stage technological enterprises into companies with robust payrolls and successful products. Examples of companies which were successfully incubated in GTEC include Sinmat, Axogen and WiPower.

Funding to construct the GTEC building was provided through a financial assistance award from the Federal Economic Development Administration (EDA). The grant requires GTEC to operate as an incubator for 20 years and will need to be repaid in full if the use changes before the end of the 20-year term.

Beginning with the opening of GTEC, the City has contracted with the Gainesville Area Chamber of Commerce to staff and operate the programs in the building. Funding for the Chamber of Commerce's management services included payment for the GTEC staff, operational expenses and a management fee to the Chamber. In early 2011 the Chamber of Commerce coordinated with the CRA to temporarily suspend the provision of the GTEC manager. The Chamber President and CEO, CRA Director and City Manager all agreed that GTEC was at a critical crossroads which required an assessment of the program and facility. The CRA contracted with the Georgia Institute of Technology's Enterprise Innovation Institute to conduct an assessment of GTEC. Recommendations provided by Georgia Tech included additional focus on selecting a facility manager with exceptional skills and abilities, enhanced programming and physical improvements to the facility. Since December 2011, the CRA has provided daily management of the facility.

The mission of GTEC has focused on incubating early stage technological businesses. In 2010, the University of Florida applied for and was awarded funding for a 45,000 square foot incubator to be located in close proximity to the University on S.W. 2nd Avenue.

The Innovation Hub opened in 2011, and its mission also focuses on technology and bio-science business incubation. In recognition that over the past ten years the number of incubators and resources for business incubation has significantly changed, now is an appropriate time to reassess the mission, programming and management of GTEC.

Over the past several months Commissioner Henry has facilitated a discussion with several members of the community and stakeholders to identify a path forward for GTEC for the future. Selected members of the community discussed the mission of GTEC relative to the needs of the community and the changes in the local incubation landscape since GTEC was opened in 2001. After several meetings, the attendees have proposed that the mission of GTEC be restated to focus on providing of a nurturing culture to incubate a broad range of creative and innovative startup businesses. Although technology startups will be welcomed in the GTEC incubator, other innovative businesses could also benefit from the services offered by a high quality incubator. A broader focus will allow GTEC to address needs in the community which are not met by other incubators and may be a better fit to foster new job growth at differing income levels.

A second major issue explored by attendees of the discussion groups focused on which community institution is best suited to lead and operate GTEC. Although the Chamber of Commerce has effectively provided the management and leadership of the incubator, the Chamber Executive Director was open and encouraging of a discussion to consider other management options to ensure the long term success of GTEC. Options for management of GTEC discussed included the Chamber of Commerce, the Community Redevelopment Agency, the University of Florida, Santa Fe College and the private sector. Through this process the discussion group received a presentation from the Director of Santa Fe College's CIED program and was excited by both the success of CIED in helping to incubate a broad range of business and the breadth of resources which Santa Fe College has assembled to help foster success of early stage businesses. A consensus developed among participants in the discussion group that Santa Fe College's approach to providing entrepreneurial assistance mirrors the perceived need to broaden GTEC's mission and would mesh well with the business needs of our community.

The City is obligated to maintain the building and is responsible for operating costs not covered by tenant rent. GTEC operations are funded from rental revenues. Any gaps in operational funding have been supplemented over the years from the Economic Development Fund 114. Typically, the annual funding shortfall has ranged between \$12,000 - \$30,000.

The Commission: 1)hear a presentation from Commissioner Scherwin Henry summarizing the ideas and impressions generated through the discussion group meetings and hear an overview of the Santa Fe College CIED program from Director Dug Jones; 2) direct the City Manager to negotiate with the EDA and Santa Fe College the conditions of a long term lease for operation of GTEC by Santa Fe College including expected outcomes, terms, compensation and community engagement; and 3) direct the City Manager to return to the City Commission for review and approval of a lease, subject to approval of the City Attorney as to form and legality.