

GREENVILLE REDEVELOPMENT COMMISSION MINUTES

October 2, 2007
Greenville, NC

The Greenville Redevelopment Commission held a meeting on the above date at 5:30 p.m. in the third floor conference room of the City Hall Building located at 200 West Fifth Street.

COMMISSION MEMBERS PRESENT:

Minnie Anderson, Chair
Don Edwards, Vice-Chair

Melissa Hill
Max R. Joyner, Jr.

Dennis Mitchell
Robert Thompson

COMMISSION MEMBERS ABSENT:

Britt Laughinghouse

STAFF MEMBERS PRESENT: Wayne Bowers, City Manager; Sandy Gale Edmundson, Secretary; Merrill Flood, Director of Community Development; Carl Rees, Urban Development Planner; and Tom Wisemiller, Planner

OTHERS PRESENT: John Bosio, Hillier Architecture; Mildred Council, City Council Member; Jeff DeBellis, Market Research Analyst; Rose Glover, City Council Member; Glen Swantack, Hillier Architecture; and Carolyn Wilburn, Director of Greenville's Small Business Technology Development Center

APPROVAL OF OCTOBER 2, 2007 AGENDA: APPROVED

Ms. Anderson asked that the Discussion of a Lease with James Brown be added after item VII. on the agenda.

Motion was made by Mr. Dennis Mitchell and seconded by Mr. Max Joyner to approve the amended October 2, 2007 agenda. Motion carried unanimously.

APPROVAL OF MINUTES OF SEPTEMBER 4, 2007: APPROVED

Motion was made by Mr. Robert Thompson and seconded by Mr. Max Joyner to approve the September 4, 2007 minutes. Motion carried unanimously.

WAYFINDING PRESENTATION (HILLIER ARCHITECTURE)

Mr. Rees: At tonight's meeting, the public and stakeholders are being presented with an early analysis and design standards of the wayfinding project. There will be a public comment period after the presentation of Hillier Architecture.

Mr. John Bosio and Glen Swantack with Hillier Architecture made the wayfinding presentation.

Mr. Bosio: Option A is Contemporary Graphic, Option B is Traditional Iconic, and Option C is Industrial. The Options meet the Department of Transportation's requirements. Comments from the Steering Committee and the Department of Transportation were received at an earlier meeting today, so the idea of coming up with an Option D was suggested that would incorporate those comments and take the best parts of each option.

Mr. Edwards: What are the criteria for picking the destinations? Has this been determined already or are these just suggestions?

Mr. Bosio: We have a boiler plate criteria. We will work with the Steering Committee to adjust that to your specific need. For the most part, the destinations are nonprofit and government facilities.

Mr. Thompson: Given the amount of money spent that we would be putting into this, I would hate for us to adopt a style that would tend to be contemporary now but would come out of date.

Ms. Hill: In the interview process, you spoke how you were going to help find Greenville, because it is lost amongst the University and the Hospital. Once you met with the hospital and the stakeholders, do you feel strongly about one or the other or any of these that would help us do that?

Mr. Bosio: This would be the one. We would also like to have an icon.

Mr. Bowers: The icon is a good idea, but it is going to be hard to find one that everyone can agree on.

Ms. Hill: I would hope that we would have an icon that represents Greenville.

Mr. Rees thanked Mr. Bosio and Mr. Swantack of Hillier Architecture for their presentation.

INCUBATOR FEASIBILITY PRESENTATION (SMALL BUSINESS TECHNOLOGY DEVELOPMENT CENTER (SBTDC)):

Mr. Rees said Mr. Jeff DeBellis, Market Research Analyst for the Small Business Technology Development Center, will give an Incubator Feasibility Presentation.

Mr. DeBellis: The North Carolina SBTDC:

Provides business counseling and market development assistance to small and mid-sized businesses throughout the state;

Provides management education services to established firms, high-growth companies, and start-ups; and

Conducts applied research projects for the state of North Carolina, local governments, economic development agencies, and establishments that serve the state's small business community.

Mr. DeBellis: What is a Business Incubator?

An economic development tool focused on entrepreneurship;

A source of assistance and support for business owners;

A growth accelerator for local small businesses;

A promoter of entrepreneurship;

A business that is only as good as its management and its network of support;

Mr. DeBellis: An Incubator is not....

A cure-all for decades of economic problems;

A quick and maintenance free solution for economic successes;

A business creator; nor

A high profit-generating venture.

Mr. DeBellis: How Does an Incubator work?

Low or affordable lease rates with flexible terms;

Personal on-site business consulting and training;

Access to shared services:

- Conference/meeting space
- Receptionist services
- Copier, fax, mail center access
- High speed Internet service/website space

Business software licenses

Access to capital, technology, and business resources;

Networking opportunities with other small business and professional service providers;
and

Entrance and exit criteria

Mr. DeBellis: Why do communities choose an Incubation Strategy?

To stimulate and promote entrepreneurship locally – because they recognize that small businesses currently account for the majority of all new job growth;

Business incubation is a relatively inexpensive means of creating new jobs – average \$1,100 per new job created;

To support industries that will help diversify the local economy;

To accelerate growth of a new or expanding industry;

To spur urban revitalization; and

To assist disadvantaged citizens in becoming successful business owners.

Mr. DeBellis: Potential Long-Term Effects of a Successful Incubator Program:

Becomes a self-sufficient economic development tool;

Increases the tax base;

Symbolizes entrepreneurial activity and efficient business operation;

Create jobs; and

Stimulates building renovations and development in their communities.

Mr. DeBellis: Potential Effects of an Unsuccessful Incubator Program:

Becomes an expensive money-losing venture that is unable to recover initial costs;

Requires on-going subsidies to survive;

Struggles to find tenants and the building remains mostly vacant; and

Is viewed by the community as a waste of public money.

Mr. DeBellis: Incubator Statistics

Nationally

Median size is 26,000 sq. ft.

Average number of tenants if 25

Average tenant occupancy time is 2.8 years

Median occupancy rate is 85%

Only 1% of all incubators are focused on attracting entrepreneurs from a specific neighborhood. 18% attract businesses from across their city; 25% from across their county; 40% from multiple counties.

North Carolina

Over 30 operational incubators in North Carolina

Average graduating business starts with 2 employees, leaves the incubator with 6, and continues a rapid growth rate after graduation.

Mr. DeBellis: Tips for Starting a Successful Incubator Project:

Study the entrepreneurial climate in your community;

Don't expand an incubator to cure decades of community decay;

Be creative, but realistic;

Don't let real estate drive the project;

Make sure you have a solid financial plan; and

Set realistic goals for the project.

Mr. DeBellis: The Key to Success is to run the Incubator like a business.

Mr. DeBellis: The Incubator Process:

Form a local steering committee/task force;

Build broad support within the community;
Visit other incubators;
Identify potential incubator sites;
Conduct a feasibility study;
Prepare a financing plan for construction/renovations;
Secure funding and finalize facility site; and
Recruit an incubator manager and tenant companies.

Mr. DeBellis: What does an Incubator Feasibility Study Do?

Evaluates the financial viability of the project;
Measures the level of local business development to support the incubator;
Compares project scenarios to determine the best option for an incubator;
Determines the most likely business industries to contribute entrepreneurial tenant companies to the incubator;
Recommends potential tenants, services and facility features that would best help the incubator achieve its mission;
Highlights risk and potential pitfalls; and
Outlines actions needed going forward.

Mr. DeBellis: An Incubator Feasibility Study does not:

Determine the mission or vision for the incubator;
Locate a facility for the incubator;
Automatically win project funding or loans; nor
Guarantee the project's success.

Mr. DeBellis: SBTDC Feasibility Study Outline:

Methodology

Outline of the project (mission, vision, history and place in city/regional planning)

Overview of business incubation (concept and purpose)

Incubator facts and figures

Market feasibility

Analysis, recommendations and next steps

Mr. DeBellis: Market Feasibility:

County/Region Overview

Demographics

Economic Analysis

Real Estate Supply and Demand

Needs of Local Entrepreneurs

Mr. DeBellis: Upon completion of the Feasibility Study,

Presentation of study is made to Steering Committee

Discussion of options for proceeding

Steering Committee assumes responsibility for the project

SBTDC available to assist with additional financial projections

Mr. DeBellis: The Steering Committee's Role in the Feasibility Study Process:

Derive an initial mission and some long-term goals for the project;

Recruit partners who can help support the incubator;

Develop scenarios for how the incubator will be staffed and managed;

Create a list of incubator features and tenant services;

Provide the SBTDC with at least one potential site with size and construction/renovation estimates

Supply the SBTDC with County/Regional economic development plans that directly/indirectly support of an incubation strategy

Help the SBTDC recruit 8-12 local entrepreneurs for a focus group

Mr. DeBellis: Long-Term Tasks and Responsibilities of the Steering Committee

Write a mission statement

Develop a long-term and short-term vision/plan

Select a site

Determine incubator services

Form partnerships

Secure funding

Market the incubator

Create a Board of Directors

Hire an incubator manager

Mr. DeBellis: Are there any questions?

Mr. Thompson: What does graduating refer to?

Mr. DeBellis: It means successful.

Mr. Thompson: And have left.....

Mr. DeBellis: Yes.

Mr. Rees: I wanted to mention that we had a public forum and Mr. DeBellis gave a presentation on Thursday night. One of the requests that came out of that meeting from one of the City Council members is that there should be more public involvement.

Mr. DeBellis: A Steering Committee's job is to focus on the business of this project. You may want to consider having a separate committee that serves as an Advisory Committee to the Steering Committee. To alleviate some of the political pressure and

to give voice to a broader section of the community, you may want to have an Advisory Committee to the Steering Committee.

Mr. Rees: In the next six weeks, a Focus Group of entrepreneurs at various levels will be brought in to talk about incubators and levels of services that they could have used. There will be another public meeting to spread the word. Finally, we have been fortunate to establish a good relationship with the Raleigh Technology and Business Center in south Raleigh. They have indicated an interest in our project and will attend a meeting to tell the Commission what it is like to run a successful business incubator.

DISCUSSION OF PROCUREMENT PROCEDURES

Mr. Rees: I have included in the Commission's agenda packet a copy of the Procurement Process. Is there any discussion of procurement procedures?

The Commission decided no discussion was needed.

DISCUSSION OF LEASE FOR JAMES BROWN

Mr. Rees told the Commission that a part of the purchase agreement was to agree to lease James Brown the property.

Motion was made by Mr. Max Joyner and seconded by Ms. Melissa Hill to approve the lease agreement to James Brown for the property at 814 West Fifth Street for a period not to exceed 364 days at \$100.00 per month. Motion carried unanimously.

REPORT FROM SECRETARY

Expenditure Report

Mr. Flood distributed the Expenditure Reports for West Greenville and the Center City.

Update on West Fifth Street Gateway Project

Mr. Rees: Staff is working with the selected consultant. Rivers and Associates will present a scope of work at the November meeting.

Closed Session

Mr. Rees: The purpose of the Closed Session is to establish or instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease.

Approval of Closed Session Minutes for September 4, 2007

Motion was made by Mr. Max Joyner and seconded by Mr. Don Edwards to move into closed session. Motion carried unanimously.

Motion was made by Mr. Don Edwards and seconded by Ms. Melissa Hill to approve the September 4, 2007 minutes. Motion carried unanimously.

Motion was made by Mr. Don Edwards and seconded by Ms. Melissa Hill to move into open session. Motion carried unanimously.

ADJOURNMENT

Motion was made by Mr. Max Joyner and seconded by Mr. Britt Laughinghouse to adjourn the September 4, 2007 meeting. Motion carried unanimously.

Respectfully submitted,

Carl Rees, Urban Development Planner
The City of Greenville Community Development Department