

Council Study Session
Council Chambers
August 9, 2021

AGENDA



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1. **City Council Discussion of Agenda Items and Questions - 6 p.m.**
 2. **Miscellaneous**
 3. **Discussion of Work Session Agenda Item as Time Permits**
 4. **Adjourn**

AGENDA



1. Informal Open Forum with City Council - 6:45 p.m.

Provides an opportunity for the public to address the Council on items which are not on the agenda. Open Forum will be limited to 15 minutes, it is not televised, and it may not be used to make personal attacks, to air personality grievances, to make political endorsements, or for political campaign purposes. Council Members will not enter into a dialogue with presenter. Questions from the Council will be for clarification only. Open Forum will not be used as a time for problem solving or reacting to the comments made but, rather, for hearing the presenter for informational purposes only.

I will first call on those who notified the Clerk that they would like to speak during open forum, and then I will ask if anyone else connected to this meeting would like to speak. When I do, please indicate your name and then proceed when I call on you. Please be sure to state your name and address before speaking.

2. Invocation - Graves - 7 p.m.

3. Call to Order Regular Business Meeting

This meeting is being conducted electronically under Minnesota Statutes, section 13D.021 due to the pandemic. For those who are connected to this meeting, please keep your microphone muted. If there is an opportunity for public comment, you may unmute and speak when called upon. Please do not talk over others and anyone being disruptive may be ejected from the meeting. The packet for this meeting is on the City's website, which is linked on the calendar or can be found on "City Council" page.

4. Roll Call

5. Pledge of Allegiance

6. Approval of Agenda and Consent Agenda

The following items are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests, in which event the item will be removed from the consent agenda and considered at the end of Council Consideration Items.

- a. Approval of Minutes
 - *Approve minutes from:*
 - *July 26 - Regular Session*

- b. Approval of Licenses
 - *Motion to approve the licenses as presented.*

7. Presentations/Proclamations/Recognitions/Donations

- a. Brooklyn Center Entrepreneurship Market Strategy Final Report

- Motion to accept the Brooklyn Center Entrepreneurship Market Strategy Report

8. Public Hearings

The public hearing on this matter is now open. I will first call on those who notified the Clerk that they would like to speak to this matter, then I will ask if anyone else on this meeting would like to speak during this hearing. When I do, please indicate your name and then proceed when I call on you. Please be sure to state your name and address before speaking.

9. Planning Commission Items

10. Council Consideration Items

11. Council Report

12. Adjournment

Council Regular Meeting

DATE: 8/9/2021

TO: City Council

FROM: Dr. Reggie Edwards, Acting City Manager

THROUGH: N/A

BY: Barb Suciu, City Clerk

SUBJECT: Approval of Minutes

Requested Council Action:

- *Approve minutes from:*

- *July 26 - Regular Session*

Background:

In accordance with MN Statute 15.17 and MN Statute 412.151, subd.1, attached for your approval are the minutes from the study session, regular session and work session.

Budget Issues:

None

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Customer Intimacy , Operational Excellence

ATTACHMENTS:

Description	Upload Date	Type
7.26.2021	8/3/2021	Backup Material

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF BROOKLYN CENTER IN THE COUNTY
OF HENNEPIN AND THE STATE OF MINNESOTA

REGULAR SESSION
JULY 26, 2021
VIA ZOOM

1. INFORMAL OPEN FORUM WITH CITY COUNCIL

CALL TO ORDER INFORMAL OPEN FORUM

The Brooklyn Center City Council met in Informal Open Forum called to order by Mayor Mike Elliott at 7:02 p.m. He announced the participation of Youth in Government comprised of youth who elected a Youth Mayor and Youth Council members and will be playing those roles at tonight's meeting.

ROLL CALL

Mayor Mike Elliott and Councilmembers Marquita Butler, Kris Lawrence-Anderson, and Dan Ryan. Councilmember April Graves was excused. Also present were City Manager Reggie Edwards, Community Development Director Meg Beekman, Planner, and Zoning Administrator Ginny McIntosh, City Clerk Barb Suciu, and City Attorney Troy Gilchrist.

Mayor Mike Elliott opened the meeting for Informal Open Forum.

No one wished to address the City Council.

Mayor Elliott moved and Councilmember Lawrence-Anderson seconded to close the Informal Open Forum at 7:06 p.m.

Motion passed 3-0 (Councilmember Butler did not vote).

2. INVOCATION

Councilmember Lawrence-Anderson stated in honor of youth she would like to share a simple yet profound quote that has inspired her since she was young. She stated it is only eleven words, yet has made a significant impact on her motivation and personal drive throughout her entire life.

We know who we are but not what we may be.
William Shakespeare

Councilmember Lawrence-Anderson stated she saw this quote in a newspaper in 1978 and carried it with her since then so it is now yellow with age. She hopes these simple eleven words will be remembered and an inspiration to others because every day you wake up and know who you are

but not yet what you may be. She also hoped that with whomever you chose to honor with your faith, you'll be great in life.

3. CALL TO ORDER REGULAR BUSINESS MEETING

The Brooklyn Center City Council met in Regular Session called to order by Mayor Mike Elliott at 7:09 p.m.

4. ROLL CALL

Mayor Mike Elliott and Councilmembers Marquita Butler, Kris Lawrence-Anderson, and Dan Ryan. Councilmember April Graves was excused. Also present were City Manager Reggie Edwards, Community Development Director Meg Beekman, Planner, Ginny McIntosh, City Clerk Barb Suci, and City Attorney Troy Gilchrist.

5. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

6. APPROVAL OF AGENDA AND CONSENT AGENDA

City Manager Reggie Edwards requested that Agenda Item 7d., Resolution Recognizing Fire Chief and Emergency Manager Berg, be moved up on the agenda because the Fire Chief Berg has another event to attend this evening.

Mayor Elliott reordered the agenda to consider Agenda Item 7d. before Agenda Item 7a.

Dr. Edwards advised that the presenter for Agenda Item 7e., Brooklyn Center Entrepreneurship Market Strategy Final Report, is ill and unable to attend.

Mayor Elliott stated Agenda Item 7d. will be rescheduled.

Mayor Elliott stated he wants the City Council to be mindful and may forego some of the items on the various agendas depending on how late the meeting goes.

Councilmember Lawrence-Anderson noted Dr. Edwards had previously mentioned an agenda item that had been rescheduled several times already and was now timely to consider.

Mayor Elliott stated that relates to Work Session Agenda Item 1., BC Inno-Hub Concept Review and Discussion. However, the City Council may have to come back to Work Session Agenda Item 3, Youth on Boards and Discussion.

Councilmember Ryan moved and Mayor Elliott seconded to approve the Agenda and Consent Agenda, and the following consent items were approved:

6a. APPROVAL OF MINUTES

1. July 12, 2021 – Study Session
2. July 12, 2021 – Regular Session
3. July 12, 2021 – Work Session

6b. LICENSES

GARBAGE HAULER

Allied Waste Services of North America

Walter Recycling & Refuse

8661 Rendova Street NE.
Circle Pines MN 55014
2830 101st Avenue NE.
Blaine MN 55449

MECHANICAL LICENSES

Dean's Tank Inc.

Flare Heating & Air Conditioning

Genz-Ryan Plumbing & Heating

MN Plumbing & Home Services

PB Services

Residential Heating & Air, Inc.

PO Box 22515
Robbinsdale MN 55422
9303 Plymouth Avenue N.
Golden Valley MN 55427
2200 West Highway 13
Burnsville MN 55337
12040 Riverwood Circle
Burnsville MN 55337
9410 Bataan Street NE
Blaine MN 55449
7454 Washington Avenue S.
Eden Prairie MN 55344

RENTAL

INITIAL (TYPE IV – six-month license)

3816 France Place

Segun Olatayo

INITIAL (TYPE III – one-year license)

5012 65th Avenue N.

Segun Olatayo

INITIAL (TYPE II – two-year license)

3312 62nd Avenue N.

5956 Beard Avenue N.

6325 Brooklyn Boulevard

HPA US1 LLC/Pathlight Mgt.
HP Minnesota 1/Pathlight Mgt.
Obafemi Oladeji

RENEWAL (TYPE IV – six-month license)

5331 70th Circle

6736 Colfax Avenue N.

Boukary Kabore
Missing CPTED follow up
John Chao

RENEWAL (TYPE III – one-year license)

6511 Humboldt Avenue N.

Pines of Brooklyn Center

Norlin G. Boyum/The Pines North

5301 Russell Avenue N.
4908 Abbott Avenue N.
5316 Colfax Avenue N.
6325 Kyle Avenue N.
5406 Sailor Lane

Midwest GIR Group/met req.
Aaron Burmeister
Home SFR Borrower
Cuong Pham
James Waters

RENEWAL (TYPE II – two-year license)

5415 Emerson Avenue N.
5550 France Avenue N.
5550 Girard Avenue N.
7024 Oliver Circle
6307 Scott Avenue N.

MSFFII W1 LLC – met req.
Belinda Gonzalez
Steve Pierkarski/Restart, Inc.
Juliana Koe
Kin Chew/Iasis LLC

RENEWAL (TYPE I – three-year license)

3715 69th Avenue N.
5200 France Avenue N.
1207 65th Avenue N.

Christian Knutson
Christian Knutson
Tech Ung

SIGNHANGER

Twin Town Sign Company

6033 Gettysburg Avenue N.
New Hope MN 55428

6c. RESOLUTION NO. 2021-92 SETTING THE DATE OF THE SALE OF \$8,950,000 GENERAL OBLIGATION IMPROVEMENT AND UTILITY REVENUE BONDS, SERIES 2021A TO FINANCE THE CONSTRUCTION OF GRANDVIEW PARK AREA SOUTH IMPROVEMENTS AND THE STORMWATER IMPROVEMENTS RELATED TO THE BROOKLYN BOULEVARD CORRIDOR PHASE 2 PROJECT FOR AUGUST 23, 2021

Motion passed unanimously.

7. PRESENTATIONS/PROCLAMATIONS/RECOGNITIONS/DONATIONS

7c. RESOLUTION NO. 2021-93 RECOGNIZING FIRE CHIEF AND EMERGENCY MANAGER BERG FOR HIS LEADERSHIP THROUGH THE COVID-19 PANDEMIC

Dr. Edwards introduced the item recognizing Fire Chief Berg for his leadership during an unprecedented time in Brooklyn Center, during the pandemic, when there was no game plan and it was not known what the City would face. Yet Fire Chief Berg stepped up as a leader, organized and developed a game plan for the City, and was the core communicator with the County, State, and other entities providing services and addressing issues as they related to COVID. Dr. Edwards stated Fire Chief Berg kept everyone from panicking and put into place measures to let employees go home, communicate with the public about the pandemic, and kept everyone safe. He stated the City wants to acknowledge Fire Chief Berg at this time for the endless hours he worked on behalf of Brooklyn Center.

Mayor Elliott read in full a Resolution recognizing Fire Chief and Emergency Manager Berg.

Councilmember Butler moved and Councilmember Lawrence-Anderson seconded to adopt RESOLUTION NO. 2021-93 Recognizing Fire Chief and Emergency Manager Berg for his Leadership through the COVID-19 Pandemic.

Motion passed unanimously.

Mayor Elliott extended the City's deep appreciation to Fire Chief Berg.

Fire Chief and Emergency Manager Berg thanked the City Council, noting he feels this is just doing part of his job. He stated he wanted to pass thanks along to our Fire Department staff as well as the City's former and current leadership team, noting they deserve the thanks as well.

7a. YOUTH IN GOVERNMENT DAY

Dr. Edwards introduced the item and explained Youth in Government Day involves engaging youth in a mock Council meeting. The youth also prepared and gave a presentation on the City's celebration. He commented on their experience of Brooklyn Center as interns and now their experience of the policy-setting side of the City Council. He stated the youth also engaged in dialogue with Councilmembers Ryan and Lawrence-Anderson. Dr. Edwards stated Youth in Government acknowledges the contribution of youth, their brilliance, and wisdom, and that they are our future. This is done on an annual basis to create opportunities for young people to learn about their government and, hopefully, be inspired to someday work in government or serve as an elected official.

Mayor Elliott read in full a Proclamation declaring July 26, 2021, as Youth in Government Day in the City of Brooklyn Center, Minnesota.

Mayor Elliott introduced each of the youth members who actively participated in the 2021 Youth in Government Day program and thanked them for their service. He described their contribution in discussions and presentations on what a new transformed and inclusive Brooklyn Center festival could look like.

Bernie Nnadi stated he enjoyed the program, the whole dynamic, and what they did together with the group. He stated they were able to connect, see their differences, and work together to give the presentation. He thinks they did a good job and he was proud to work with them.

Lisa Amanor stated this was a wonderful opportunity that she was fortunate to partake in. She stated it was amazing to connect with other BrookLynk interns, hear their perspectives on the City's celebration, and take an active role as a Brooklyn Center resident in her community. She looks forward to sharing those opportunities, thoughts, and connecting with other people.

Neomi Sidique stated this is a great experience and she will be happy to tell others about it. She was happy to work with other people from different backgrounds and cultures and appreciates this program.

Hannah Sinouhasy stated she is grateful for this opportunity and it was nice to hear about different perspectives and how they all intertwine in this community.

Matthew Fogg stated it was nice to work with different BrookLynk members, to learn about their culture, how they do stuff, and how they see different ways to do things. He stated for a long time he only saw it his way and it's cool to work as a team and work by ourselves because we can learn different things for jobs or strategies.

Takahnkandeh Kimbi stated he liked this experience, being a Brooklyn Center intern along with learning with his fellow interns. He has figured out that it is important to be part of the government in Brooklyn Center and how good, young, and intelligent his fellow youth are.

Peter Nguyen stated he enjoyed this experience and meeting with fellow interns and head people from different branches, to hear different people's opinions, how the Council works, and those different perspectives.

Mayor Elliott again thanked the youth interns for participating. All present offered a round of applause. Mayor Elliott stated each participant will receive a certificate.

7b. PRESENTATION FROM HENNEPIN COUNTY COMMISSIONER JEFF LUNDE

Mayor Elliott introduced the item and welcomed Hennepin County Commissioner Jeff Lunde.

Commissioner Lunde thanked the Mayor and Councilmembers for the opportunity to briefly share what Hennepin County has been doing to support residents, staff, and businesses of Brooklyn Center after the tragic death of Daunte Wright. He stated Hennepin County is doing what it can in cooperation and at the direction of Dr. Edward's leadership to help them finetune their response. They have also been working each day with staff and Community Development Director Meg Beekman to support efforts to rebuild the business district and move the City's goals forward.

Commissioner Lunde provided a PowerPoint presentation detailing Hennepin County's community support the week following the death of Daunte Wright by proactively reaching out to every Brooklyn Center resident that was County connected to ask what they could use help with. The County also asked whether they had any hardships and connected them with programs and services. This was accomplished within four days.

Commissioner Lunde stated after that, the County allocated money directly to programs at the direction of Mayor Elliott and Dr. Edwards to assure the County's services and contracts were aligned with where the City saw the needs fit. He thanked Mayor Elliott and Dr. Edwards for their guidance. Those dollars were used to address mental health services, food security, and different ways to support the community in the weeks and months to follow, continuing to this day.

Commissioner Lunde described Hennepin County's ongoing efforts to connect with the Brooklyn Center School District, their food shelf, noting the County continues to check in with them monthly to ask if there is anything the County can assist with. There have been several vaccine clinics as well with New Millennium and other charter schools being on the forefront with vaccines. Commissioner Lunde stated their efforts are ongoing with the School District to help kick off the school year right and overcome challenges and traumatic memories.

Commissioner Lunde stated Hennepin County continues to provide eviction foreclosure support. He noted the City is also contacting renters and encouraging them to sign up for rent help. He stated the County's navigators can work with anyone who needs assistance including language assistance and managing the paperwork, which has been cut down to a couple of pages.

Commissioner Lunde stated Hennepin County and his office are committed to a coordinated operation to support the community, referred to as Operation Community Well Being. He stated if they can plan for law enforcement response to events, they can also plan for trauma support, food security, and provide housing assistance for those who are impacted. This goes beyond a law enforcement response to include a community response. He noted that Operation Safety Net did include a line item calling for community engagement but zero dollars were appropriated to that item. He stated they will work on a Community Well Being Plan so if they ever have to use it, it will be ready and address three months after an event. That work will take time, is ongoing, and they have now learned the lesson that should have been learned after the civil unrest in Minneapolis to make sure residents can be supported as quickly and completely as possible.

Commissioner Lunde stated on June 15, 2021, Hennepin County passed \$5 million for support of different ways to limit the violence that may be occurring. Money was allocated to Hennepin County's Next Step program to pay for skilled professionals at the hospital to slow down the process, prevent retaliation, and the cycle of violence should it involve gang-related violence.

Commissioner Lunde stated Hennepin County also put \$1 million in the public defender's office to address the significant backlog of cases so people get their day in court because justice delayed is justice denied. He explained that if you have a pending court case and apply for an apartment that does a background check, it will show up. So, not giving someone the right to clear their name of something they have been accused of has residual effects including to the family.

Commissioner Lunde stated Hennepin County is working with skilled violence interrupters/interceders who work on the street with youth and others to talk down situations or provide an alternative way of dispute resolution rather than the police roll out. The County is entering contracts and people can apply to provide those services. They have been talking with some in Brooklyn Center who are doing that work now to see if the County can augment their work. The County is trying to get the money to the street and he is happy to say it is now showing up in a variety of ways and targeted to people who are already doing the work, know what they are doing but need additional resources.

Commissioner Lunde stated they added 4 FTEs in the County Attorney's office to support victims. He believes victims should be the center of our justice system, not anyone else. Victims are the only people who did not choose to be a participant in our justice system so we need to support

them, noting if a family is the victim of a crime, there can be four victims. He explained the County put that money into the County Attorney's office so those victims can feel like justice is being served in whatever method used.

Commissioner Lunde stated there are current RFAs related to food insecurity, they are easy and quick to apply for, are not competitive, and churches can cooperate and submit jointly. The County is also not asking for someone to prove they have been doing this for years. If they can deliver and a written plan on how they are doing it, they may be approved. The grants are up to \$49,000. He encouraged anyone interested to make an application. Commissioner Lunde stated the County is offering RFAs for violence reduction as well.

Commissioner Lunde stated he did not realize it was Youth in Government Day but wanted to mention that tomorrow there will be a Board Action Request written by his office to establish a Youth Advisory Committee for the Hennepin County Library Board. He explained that during COVID they found just how much youth needed the library so they think the youth's voices need to be resonant from this point forward. He announced this fall they will establish a youth advisory for the juvenile system within the County. This can also include brothers and sisters of someone in the juvenile system to offer advice on how to make the juvenile system better and provide restorative justice.

Commissioner Lunde provided his contact information and offered to hear comments and answer questions of the City Council.

A youth member asked about the name of the group related to the library. Commissioner Lunde stated the Youth Advisory Committee for the Hennepin County Library Board will be heard in committee tomorrow and, hopefully, approved the following week. He stated if approved, he will provide information to City staff. Commissioner Lunde explained that each Commissioner will be able to name two members to this Committee.

Mayor Elliott thanked Commissioner Lunde for his presentation and stated the City appreciates everything Hennepin County is doing to help the community. He stated when the uprising happened in Brooklyn Center, the City Council decided to not allow the use of tear gas or rubber bullets. He noted the University of Minnesota scientists released a research report and some of those members came to Brooklyn Center during the uprising and delivered comments on the use of tear gas and rubber bullets. That report found that in the wake of the murder of George Floyd in Minneapolis and the law enforcement response, 89 people were injured by those less-lethal weapons, 32 were sent to the emergency room due to tear gas, 10 were hit in the eye by rubber bullets, 16 suffered a traumatic brain injury, and 7 required emergency surgeries.

Mayor Elliott stated he visited the apartments across from the Brooklyn Center Police Department and saw holes left in the walls that were left by rubber bullets and residents said they were overcome by the tear gas coming into their apartments. Those residents also recounted the actions they took, such as using children's mattresses to brace against the window to absorb the impact of the rubber bullets. Mayor Elliott stated he saw residents who have injured and the open wounds left by rubber bullets.

Mayor Elliott referenced the recommendation from the American Lung Association that anyone exposed to tear gas should immediately leave the area and seek higher ground. He noted, however, that the folks in those apartments were not able to do that as there was unrest all around them and many could not physically leave their apartments. The young people who experienced rubber bullets hitting against their doors and windows still react to any loud sound or commotion outside their building by hiding underneath their beds.

Mayor Elliott stated the use of tear gas has been outlawed by international war conventions, in treaties, they are not allowed to use them in war, and the Brooklyn Center City Council appropriately, forward-leaning, and forward-thinking in human rights, outlawed the use of those tactics.

Mayor Elliott stated the Hennepin County Board of Commissioners voted on banning the use of tear gas and rubber bullets. He noted Commissioner Lunde represents this area and voted against that. Mayor Elliott asked Commissioner Lunde why he voted against banning the use as it is inevitable that all departments will stop using those forms of munitions.

Commissioner Lunde stated you need to understand the measure had no power so it is what he calls a 'nothing resolution.' He explained that Hennepin County does not have the power to tell the Hennepin County Sheriff's Department what tactics they may or may not use. That is the fact so the resolution carried no weight and he thinks it did a dis-service as it acts like the County Board is doing something when they are not. Commissioner Lunde stated he does not vote for anything resolutions as it changes nothing but made it look like the Board did something. He stated the Board can influence, suggest, request, nudge, but they do not have the power to dictate to the Sheriff's Department the tactics they use.

Commissioner Lunde stated since then and in cooperation with the Sheriff's Department, the County Board did ask for research on what other tactics and methods could be used for crowd control that would eliminate the need for 'less lethal' but injurious methods. He stated if money needs to be appropriated to adopt those tactics or equipment, that is where the Board is at and will cooperate with the Sheriff's Department.

Mayor Elliott stated he appreciates Commissioner Lunde's commitment to doing something. He noted sometimes all we can do is at least voice our support for change. He noted Commissioner Lunde had been the Brooklyn Park Mayor for a very long time and these bodies take symbolic actions all the time, which Commissioner Lunde knows. Mayor Elliott stated the Brooklyn Center City Council took action to call for the end of violence in certain parts of Africa, for instance. They also took a vote to support the establishment of Juneteenth as a federal holiday, all things the City Council does not necessarily have the power to do but their voice symbolically helps to move the tide in the right direction.

Mayor Elliott stated it is in that spirit that he, as one representative in Brooklyn Center, would implore Commissioner Lunde to support, even if it is simply symbolic by resolution and does not direct the Sheriff's Department on what they can and cannot do. He noted it would be one more voice in the direction to move this closer to a better system to keep people safe. He stated it does

an incredible amount of good to support a resolution like that and encouraged Commissioner Lunde, in the future, to put his voice on the scale toward moving us in that direction.

Mayor Elliott thanked Commissioner Lunde for his service and actions taken to help the community by providing resources. He stated we are all in this together and part of one community that is in the midst of transformation.

Commissioner Lunde stated he looks forward to that, noting he talks with Dr. Edwards and Ms. Beekman often and will continue to reach out to the City to learn if there are ways the County can do things differently or better and assure it is done hand-in-hand with the efforts of the City's teams.

7c. RESOLUTION NO. 2021-94 EXPRESSING RECOGNITION AND APPRECIATION TO KELLI WICK, HUMAN RESOURCES DIRECTOR FOR OVER 25 YEARS OF SERVICE TO THE CITY OF BROOKLYN CENTER

Dr. Edwards introduced the item and acknowledged Kelli Wick's 25 years of service to the City of Brooklyn Center and tremendous work done on behalf of the City's residents and businesses. He described her contributions and raised his voice in acknowledging Ms. Wick, noting she came to work for the City as a teenager and the City has benefited from her service and dedication.

At the invitation of Mayor Elliott, Youth Mayor Nnadi read in full a Resolution expressing recognition and appreciation to Kelli Wick, Human Resources Director for over 25 years of service to the City of Brooklyn Center.

Mayor Elliott thanked Ms. Wick for her many years of service to Brooklyn Center, stating the City is grateful.

Dr. Edwards again extended his thanks and wished Ms. Wick the best in her future endeavors.

Councilmember Butler moved and Mayor Elliott seconded to adopt RESOLUTION NO. 2021-94 Expressing Recognition and Appreciation to Kelli Wick, Human Resources Director, for over 25 years of Service to the City of Brooklyn Center.

Motion passed unanimously.

7d. BROOKLYN CENTER ENTREPRENEURSHIP MARKET STRATEGY FINAL REPORT

This item was tabled upon the adoption of the agenda.

8. PUBLIC HEARINGS

8a. ORDINANCE NO. 2021-02 AMENDING CHAPTER 35 OF THE CITY CODE OF ORDINANCES REGARDING THE ZONING CLASSIFICATION OF 6221 SHINGLE CREEK PARKWAY

Dr. Edwards introduced the item, noting this has become before the City Council for first reading and involves the Crest Apartments' building expansion. He invited Ms. McIntosh to make the staff presentation.

City Planner Ginny McIntosh stated this is the second reading and public hearing for 6221 Shingle Creek Parkway, also known as the Crest Apartments located just south of City Hall. She reviewed the background for this item, noting the Crest Apartments LLC applied to numerous requests including site and building plan approval for a 48-unit building addition to providing more family 2- and 3-bedroom units, convert existing office space and existing 122-unit apartment building, and related site improvements including the parking lot and stormwater improvements. There were also requests to establish a Planned Unit Development (PUD), an amendment to the zoning map and code to remove the property from the Central Commerce Overlay District, and an amendment to the 2040 Comprehensive Plan to allow for greater density within the Commercial Mixed Use designation.

Ms. McIntosh stated tonight the consideration is the establishment of a PUD and amendment to the zoning map to remove the property from the Central Commerce Overlay District. The Planning Commission reviewed this application on June 10, 2021, held a public hearing, and unanimously recommended approval. On June 28, 2021, the City Council considered these requests and unanimously approved the requests except the Comprehensive Plan amendment that requires an additional step through the Metropolitan Council. On June 28, 2021, the City Council set the second reading and public hearing for this evening. A public hearing notice was published in the *Sun Post* on July 8, 2021.

Ms. McIntosh presented details of the request for a PUD and rezoning from R-7 to PUD/MXC, which is Commercial Mixed Use underlying and aligns with the Comprehensive Plan's designation for this property. She explained PUDs allow flexibility and developments that would not typically be allowed for with current regulations.

Ms. McIntosh stated the City is currently undergoing a major update to the zoning code as it has not been updated in many decades. These PUDs are typically used to achieve a higher quality development or meet other City goals in exchange for flexibility. However, the project must still comply with Watershed, State, stormwater, erosion control, and wetland requirements. She noted the major point is that the property is moving from R-7 to PUD/MXC.

Ms. McIntosh stated the second request is for the removal of this property from the Central Commerce Overlay District, which is moot on residential uses. Therefore, residential is not an allowed use in this district, which is home to a few multi-family residential properties that predate this district. She described those multi-family residential properties and the number of units in each. Ms. McIntosh stated with the zoning code update, the outcome is likely that this overlay district will be revised or go away. She read the language that was published in the notice.

Ms. McIntosh reviewed the requested action tonight to open the public hearing, take public input, close the public hearing, approve the second reading and adopt the ordinance, and adopt a resolution for summary publication.

Councilmember Butler moved and Mayor Elliott seconded to open the Public Hearing.

Motion passed unanimously.

Randy Christensen stated he listened to the presentations on this application and thinks it will be a great opportunity for Brooklyn Center to have some 3-bedroom units. He supported moving this application forward.

No one else appeared to address this item.

Councilmember Lawrence-Anderson moved and Mayor Elliott seconded to close the Public Hearing.

Motion passed unanimously.

Councilmember Ryan moved and Councilmember Lawrence-Anderson seconded to approve Second Reading and adopt ORDINANCE NO. 2021-94 Amending Chapter 35 of the City Code of Ordinances regarding the Zoning Classification of 6221 Shingle Creek Parkway.

Motion passed unanimously.

9. PLANNING COMMISSION ITEMS

None.

10. COUNCIL CONSIDERATION ITEMS

None.

11. COUNCIL REPORT

Councilmember Lawrence-Anderson stated she would forego her report in the interest of time.

Councilmember Butler stated she met with Mn/DOT on the 252 Project to get an update on that process. She also met with Councilmember Graves and a staff member of Georgetown Townhouses.

Councilmember Ryan stated he met with Legislators regarding the final disposition of several State legislative items after the session. He will report on them further at the next meeting.

Mayor Elliott stated he continues to meet with folks who are interested in helping implement and provide technical support for the resolution. Once that process is up and running, he will provide a formal update for the City Council.

12. ADJOURNMENT

Councilmember Lawrence-Anderson moved and Mayor Elliott seconded adjournment of the City Council meeting at 8:39 p.m.

Motion passed unanimously.

STATE OF MINNESOTA)
COUNTY OF HENNEPIN)
CITY OF BROOKLYN CENTER)

ss. Certification of Minutes

The undersigned, being the duly qualified and appointed City Clerk of the City of Brooklyn Center, Minnesota, certifies:

1. That attached hereto is a full, true, and complete transcript of the minutes of a Regular Session of the City Council of the City of Brooklyn Center held on July 26, 2021.
2. That said meeting was held pursuant to due call and notice thereof and was duly held at Brooklyn Center City Hall.
3. That the City Council adopted said minutes at its August 9, 2021, Regular Session.

Barbara Suci, City Clerk

Mike Elliott, Mayor

Council Regular Meeting

DATE: 8/9/2021

TO: City Council

FROM: Dr. Reggie Edwards, Acting City Manager

THROUGH: N/A

BY: Alix Bentrud, Deputy City Clerk

SUBJECT: Approval of Licenses

Requested Council Action:

- Motion to approve the licenses as presented.

Background:

The following businesses/persons have applied for City licenses as noted. Each business/person has fulfilled the requirements of the City Ordinance governing respective licenses, submitted appropriate applications, and paid proper fees. Applicants for rental dwelling licenses are in compliance with Chapter 12 of the City Code of Ordinances, unless comments are noted below the property address on the attached rental report.

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Mechanical Licenses

Absolute Mechanical LLC	7338 Ohms Lane Edina MN 55439
Ideal Air, LLC	17900 Aztec St. NW Andover 55304
PB Services LLC	9410 Bataan St NE Blaine 55449
Stafford Home Service	6225 Cambridge Street St. Louis Park 55416

Budget Issues:

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

ATTACHMENTS:

Description	Upload Date	Type
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Rental Criteria
Rentals 8-9-2021

3/16/2021
8/3/2021

Backup Material
Backup Material

Property Code and Nuisance Violations Criteria		
License Category (Based on Property Code Only)	Number of Units	Property Code Violations per Inspected Unit
Type I – 3 Year	1-2 units	0-2
	3+ units	0-0.75
Type II – 2 Year	1-2 units	Greater than 2 but not more than 5
	3+ units	Greater than 0.75 but not more than 1.5
Type III – 1 Year	1-2 units	Greater than 5 but not more than 9
	3+ units	Greater than 1.5 but not more than 3
Type IV – 6 Months	1-2 units	Greater than 9
	3+ units	Greater than 3

b. Police Service Calls.

Police call rates will be based on the average number of valid police calls per unit per year. Police incidences for purposes of determining licensing categories shall include disorderly activities and nuisances as defined in Section 12-911, and events categorized as Part I crimes in the Uniform Crime Reporting System including homicide, rape, robbery, aggravated assault, burglary, theft, auto theft and arson.

Calls will not be counted for purposes of determining licensing categories where the victim and suspect are “Family or household members” as defined in the Domestic Abuse Act, Minnesota Statutes, Section 518B.01, Subd. 2 (b) and where there is a report of “Domestic Abuse” as defined in the Domestic Abuse Act, Minnesota Statutes, Section 518B.01, Subd. 2 (a).

License Category	Number of Units	Validated Calls for Disorderly Conduct Service & Part I Crimes (Calls Per Unit/Year)
No Category Impact	1-2	0-1
	3-4 units	0-0.25
	5 or more units	0-0.35
Decrease 1 Category	1-2	Greater than 1 but not more than 3
	3-4 units	Greater than 0.25 but not more than 1
	5 or more units	Greater than 0.35 but not more than 0.50
Decrease 2 Categories	1-2	Greater than 3
	3-4 units	Greater than 1
	5 or more units	Greater than 0.50

Rental Licenses for Council Approval on August 9, 2021								
Property Address	Dwelling Type	Renewal or Initial	Owner	Property Code Violations	License Type	Police CFS *	Final License Type **	Previous License Type ***
5803 Xerxes Ave N Sonder Point	Multi 1 Bldg 143 Units	Initial	5803 Xerxes Ave N	0	II	N/A	II	
5337 Queen Ave N	2 Family 2 Units	Initial	Edith Perlin	13	IV	N/A	IV	
1330 67th Ave N	Single	Initial	Mark Sibilev	3	II	N/A	II	
1513 Humboldt Pl	Single	Initial	Calvin Johnson/Johnson Organization Inc	6	III	N/A	III	
1525 Humboldt Pl	Single	Initial	Calvin Johnson/Johnson Organization Inc	2	II	N/A	II	
1531 Humboldt Pl	Single	Initial	Calvin Johnson/Johnson Organization Inc	7	III	N/A	III	
1537 Humboldt PL	Single	Initial	Calvin Johnson/Johnson Organization Inc	8	III	N/A	III	
1543 Humboldt Pl	Single	Initial	Calvin Johnson/Johnson Organization Inc	2	II	N/A	II	
1549 Humboldt Pl	Single	Initial	Calvin Johnson/Johnson Organization Inc	3	II	N/A	II	
1555 Humboldt Pl	Single	Initial	Calvin Johnson/Johnson Organization Inc	2	II	N/A	II	
5603 Knox Ave N	Single	Initial	Paul R Johnson	1	II	N/A	II	
4201 Lakeside Ave #319	Single	Initial	Nancy Slattery	10	IV	N/A	IV	
5308 Lilac Dr	Single	Initial	Dani Araya	22	IV	N/A	IV	
6324 Scott Ave N	Single	Initial	Sayndee Sando	35	IV	N/A	IV	
6125 Lilac Dr	Multi 1 Bldg 65 Units	Renewal	LaNel Crossings Lang Nelson Assoc	17 (.26 per unit)	I	0	I	I
6201 Lilac Dr	Multi 1 Bldg 81 Units	Renewal	LaNel Crossings Lang Nelson Assoc	13 (.16 per unit)	I	0	I	I
5440-44 Bryant Ave N	2 Family 2 Unit	Renewal	Traiten Gunderson	0	I	0	I	II
5909 June Ave N	2 Family 1Unit	Renewal	Jeffrey Davis	1	I	0	I	I
1605 56th Ave N	Single	Renewal	FYR SFR Borrower	7	III	0	III	I
3818 61st Ave N	Single	Renewal	Sherman Kho	6	III	0		III
1606 71st Ave N	Single	Renewal	Gregory Lang	8	III	2 Valid Calls 6-30-21 Disturbance 7-1-21 Disturbance	IV	II
6701 Bryant Ave N	Single	Renewal	IH3 Property IL	6	III	0	III	I
6628 Camden Dr	Single	Renewal	Marie Rickmyer	4	II	0	II	I
6020 Emerson Ave N	Single	Renewal	Chad Tesmer	2	I	0	I	I
2407 Ericon Dr	Single	Renewal	Plia Thao - met requirements	4	II	0	II	III
7006 Morgan Ave N	Single	Renewal	Hesham Abdel Hakim	7	III	0	III	II

Rental Licenses for Council Approval on August 9, 2021	
1	10/1/2021 - 9/30/2022
2	10/1/2021 - 9/30/2022
3	10/1/2021 - 9/30/2022
4	10/1/2021 - 9/30/2022
5	10/1/2021 - 9/30/2022
6	10/1/2021 - 9/30/2022
7	10/1/2021 - 9/30/2022
8	10/1/2021 - 9/30/2022
9	10/1/2021 - 9/30/2022
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95	10/1/2021 - 9/30/2022
96	10/1/2021 - 9/30/2022
97	10/1/2021 - 9/30/2022
98	10/1/2021 - 9/30/2022
99	10/1/2021 - 9/30/2022

[illegible]

* CFS = Calls For Service for Renewal Licenses Only (Initial Licenses are not applicable to calls for service and will be listed N/A.)

** License Type Being Issued

*** Initial licenses will not show Type I = 3 Year Type II = 2 Year Type III = 1 Year

All properties are current on City utilities and property taxes

Council Regular Meeting

DATE: 8/9/2021

TO: City Council

FROM: Dr. Reggie Edwards, Acting City Manager

THROUGH: N/A

BY: Meg Beekman, Community Development Director

SUBJECT: Brooklyn Center Entrepreneurship Market Strategy Final Report

Requested Council Action:

- Motion to accept the Brooklyn Center Entrepreneurship Market Strategy Report

Background:

The City has been working, in partnership with developer Alatus, Project for Pride in Living, and Resurrecting World Faith Ministries, on a development project at the northeast corner of Bass Lake Road and Shingle Creek Parkway. The project is within the area known as the Opportunity Site and would be located on EDA-owned property.

Alatus has partnered with Project for Pride in Living and Resurrecting World Faith Ministries on a multi-phased, mixed use development program. The concept consists of approximately 750 new multi-family housing units in a wide range of price points, an event center, daycare, and approximately 25,000 square feet of community-driven entrepreneurial space. The program also anticipates 1-3 acres of public plaza space, some of which would be provided to the entrepreneurial space to be used for outdoor gathering and pop-up market expansion.

The entrepreneurial space will be delivered by the development, but will be programmed and designed by the City. The purpose of the space is intended to serve local entrepreneurs and businesses.

ACER and NEOO Partners were retained to conduct a market and feasibility study, engage local business owners in the process, and identify a guiding vision and branding for the entrepreneurial space. The consultant team was also tasked with developing an operating model and proforma, as well as assist the City with identifying an ownership and management solution for the space.

NEOO Partners and ACER have completed their work, and the final report is attached to this memo. Representatives from NEOO Partners will present on the final recommendations, highlights from the study, and identify next steps for implementing the project at the July 26, City Council meeting.

Brooklyn Center Entrepreneurship Market Strategy Executive Summary

The goal of the Entrepreneurship Market Plaza (EMP) outreach and engagement efforts was to discover the need of the community and the economic feasibility of a business Entrepreneur Market Plaza and make space that provides affordable space for entrepreneurs and local small businesses to operate with access to shared technical assistance services. The goal of the EMP marketplace is to provide an inclusive, high quality

finished space with flexible lease terms that encourage local businesses to collaborate as they grow and expand their services.

The project included outreach and engagement efforts lead by African Career Education Resource., INC (ACER), focused on identifying a Vision, Purpose, and Branding for the Entrepreneur Market Plaza to discover appropriate consumer market and community connection. The feasibility study also included a market analysis that included a look at the City of Brooklyn Center and the surrounding area's community context, demographics, market opportunity, and financial considerations. The study includes surveying the community and stakeholders in exploring what their needs are and what is desired in an Entrepreneur Market Plaza space. Information gathered from stakeholders, includes exploring and discovering what problem the Entrepreneur Market Plaza solves and the findings that inform the recommendations.

The Feasibility study is broken into three parts:

1. Market Study: Gather and analyze data about community activity, demographics, business dynamics, and existing resources and supporting entrepreneurship.
2. Market Ownership and Operations Model: Identify the programming needs and infrastructure to support local entrepreneurship and develop a plan for governance and management of the market plaza.
3. Financial Analysis: Identify operational costs and facility needs

The findings in this feasibility study provide a framework based on the best practices of the top performing incubators locally and nationally. Based on our research we found that there is no one policy, practice or program that will guarantee the success of an incubator but that through the synergy of multiple practices, policies and programs greater outcomes can be achieved. For the City of Brooklyn Center, in order to implement a community-led and driven incubator, it is important that incubators policies and programs be designed transparently and in partnership with its BIPOC small businesses and entrepreneurship community. It is also recommended that the incubator have an active marketing campaign from the beginning of its design to ensure that the surrounding community is aware of its future benefits and can continually inform its customer-facing culture.

Based on input collected from small businesses and entrepreneurs, there is a need for affordable high-quality office and retail space. Those who participated in focus groups expressed a need for technical wrap around services that support the growth of their business beyond basic technical assistance. Knowing this, we believe there is a real need and real opportunity for the incubator to make a significant impact in Brooklyn Center and the northwest metro. This study was completed with an approximate 14,000 square foot incubator in mind, but other opportunities to provide below market maker, office, or retail space should be considered throughout the Opportunity Site and City.

While there is below market retail and office space sparsely located throughout the city and nearby surrounding communities, it is typically aged, in-poor condition or not visible to the general public. It is recommended that during the design of the incubator, its programs and policies, that a pipeline of interested businesses be developed to accurately estimate how much space will be occupied on opening day. Without this pipeline of businesses, it is difficult to estimate how much space will be needed beyond what is currently being planned for.

The question of whether the incubator is financially feasible is primarily dependent on the public leadership willingness and commitment of long-term subsidies for the incubator to operate, as well as other revenue sources such as tenant rent and service fees. Based on our analysis we anticipate an estimated \$353,000 in public sector funding needed to cover the initial year of operations. Over the first four years of operations

an estimated \$1.2 million will be needed to cover the total operations and management of the incubator. These costs are subject to change during the development of the incubator and will need to be updated accordingly. Construction costs include both hard and soft costs as a percentage of hard costs, assuming new construction. These costs will also need to be updated once designs have been finalized. Appendix A covers the assumptions of the pro forma, which is separate from this report.

Next Steps

The most critical steps moving forward on the implementation of the incubator following this study includes identifying program partners, designing the incubator, and updating cost estimates, developing a pipeline of interested businesses and securing funding commitments from public sector partners. Another item that will need to be considered early includes identifying whether the incubator will be immediately owned by the Brooklyn Center EDA or a non-profit entity and what the transfer of ownership will look like long term. It is recommended that the entity be publicly owned to minimize costs, perhaps a non-profit developer, or Community Development Financial Institution (CDFI) to come to do an interim acquisition of the incubator. However, how the transaction looks between the private sector partner and the city will need to be figured out. Below is a list of other tasks that will need to be completed throughout the development of the incubator.

1. Establish an incubator organization to manage and oversee operations
 - Prepare and file by-laws and articles of incorporation
 - File for tax exempt status
 - Appoint board and hold initial meeting
 - Elect officers, approve mission, budget, and work plan
 - Raise funds for incubator operations
 - Create incubator director job description and hire for position
 - Develop policy manuals, forms, etc.
2. Design & Construct Incubator
 - Design incubator building
 - Secure matching funds for incubator
 - Construct business incubator
 - Finish space, relocate incubator organization, partners, anchors
3. Market & Leasing
 - Secure commitments from economic development partners
 - Secure commitments from potential anchor tenants
 - Develop web presence and print marketing materials
 - Begin pre-marketing incubator space
 - Design Incubator Programming
 - Inventory existing programs, classes, services from all sources
 - Host monthly business networking events
 - Identify program and service gaps
 - Coordinate existing programming – “one stop shop”
 - Work with partners to develop new classes, programs, and services
 - Identify participants for advisory boards
 - Identify service provider network

Key Findings

- By investing in small minority-owned businesses and entrepreneurs, the Entrepreneurship Market Plaza could positively impact job creation for BIPOC residents. The City of Brooklyn Center is the most diverse city in the Minneapolis-St. Paul- Bloomington MSA and is centrally located in proximity to several other first ring suburban cities with diverse populations such Brooklyn Park, Columbia Heights, Crystal, Fridley and New Hope. Though the city has a diverse residential population, its minority owned business population is significantly lower than white-owned businesses. Of the minority owned businesses that exist only 10% have paid employees.
- There is a robust innovation and small business support ecosystem in the region that could support the Entrepreneurship Market Plaza. Organizations such as the Metropolitan Consortium of Community Developers has a diverse membership of community-based organizations that can provide culturally relevant technical assistance to small businesses. Hennepin County also administers several programs and matching grants for small business growth. Through the local colleges and universities, there are several networking events and resources that connect entrepreneurs to one another, incubator programs and investor relationship opportunities.
- A general incubator format that provides a variety of services ranging from ideation to intensive incubation is the best approach for Brooklyn Center businesses. There is not a clear industry cluster in Brooklyn Center so an incubator that solely focuses on one industry would miss the opportunity to serve a diverse set of businesses. Most minority owned businesses in Brooklyn Center fall within three industry categories such as retail, professional services, and health care. Across different industry classes small business owners are experiencing the same challenges which include finding affordable retail & office space, market visibility and professional development.
- A customer centric market design is the best format for serving small businesses and the surrounding community. Unlike traditional incubators that are formatted to focus on providing office space and an entrepreneurial environment, the Entrepreneurship Market Plaza should be customer facing, providing high visibility to customers, while acting as a destination center for the surrounding community. By doing so the Entrepreneurship Market Plaza fills a local market gap by providing a destination for the weekday lunch population and weekend leisure outings.
- Most successful incubators share similar best practices for operations and management. This includes choosing clients based on cultural fit, potential for success, reviewing client needs at entry, showcasing clients to customers and funders, and having robust payment plans for rent and services. Incubators that had more relaxed, or no exit policies typically have less than optimal performance.
- The size of the incubator is not a strong predictor of success. Programming and management matter most. Having the right staff to client ratio, as well as having experienced staff and program partners that understand the needs of small businesses and entrepreneurs professionally and culturally is more important.
- Most not incubators are non-profit models and on average receive 40% or more in funding from the public sector. It is also true that incubators with larger budgets outperform those with budget constraints and the type of revenue sources are important. Those receiving a larger portion of revenue from rent and service fees typically out perform other programs.

Entrepreneurship and Small Business Ecosystem

The vision for this space has evolved from its earliest inception. During community engagement efforts

related to the 2040 Comprehensive Plan and the Opportunity Site Master Plan, input was frequently received that described a desire for Brooklyn Center to have something akin to the Midtown Global Market. Comments received from community frequently describe a desire for new commercial uses in the Opportunity Site to be unique to Brooklyn Center, consist of more local and multi-cultural businesses, and for the City to invest in retail and commercial spaces that meet the needs of the diverse communities that live in Brooklyn Center.

At the same time, engagement with local businesses has identified a strong need for more affordable and flexible commercial spaces, shared office spaces, shared warehouse and distribution opportunities, and greater access to small business resources and technical assistance.

What has emerged as part of NEOO Partners and ACER's work on the market analysis and feasibility of an entrepreneurial market, as well as outreach with local small businesses, is that small and micro businesses currently within the community have a diverse range of needs when it comes to their physical space, and where they are in terms of capacity and growth. While investing in a multi-cultural market has great appeal for residents and those that would be served by it, the reality is that many Brooklyn Center businesses would not be ready to lease out and successfully occupy such a space without first building their capacity and further stabilizing their business model.

The Entrepreneurship Market Plaza is envisioned to be designed from the ground up to serve the needs of local businesses and entrepreneurs, to provide flexible and affordable commercial space for retail and service sector businesses, as well as ongoing technical assistance and act as a business resource center for all businesses in the City. However, this space alone will not meet all the needs, nor provide all of the various kinds of physical space, that is needed by businesses in varying stages of their growth cycle. As a result, the approach to serving businesses needs to be through the lens of creating a small business ecosystem that includes a variety of spaces at a variety of price points, along with various resources to serve business needs. Key components of this ecosystem include:

- A business resource center
- Co-working office spaces and shared work spaces
- Places designed and intended for pop-up outdoor markets and food vendors
- Built-in or semi-permanent kiosks and food trucks
- A retail/public market to provide multi-cultural retail and services for area residents
- Shared warehouse and distribution space for businesses in the import and distribution trades
- Affordable bricks and mortar commercial spaces

No one development will be able to provide all aspects of this ecosystem. Instead, this ecosystem is an approach to economic development that will be implemented over time and in multiple phases.

Budget Issues:

There are no budget issues to consider at this time.

Inclusive Community Engagement:

ACER and NEOO Partners have been conducting focus groups with local business owners and entrepreneurs. The input has shaped the market study as well as the vision and branding for the site. The consultant team will share a more detailed description of their engagement work as part of their

presentation.

Antiracist/Equity Policy Effect:

The focus of the engagement and the project as a whole is to serve local BIPOC business owners. The intention of the project is to provide wealth building opportunities and financial stability for local BIPOC-owned firms.

Strategic Priorities and Values:

Resident Economic Stability

ATTACHMENTS:

Description	Upload Date	Type
Entrepreneurship Market Strategy Final Report	7/20/2021	Backup Material



Brooklyn Center Entrepreneurship Market Strategy

OPPORTUNITY SITE - PHASE I

Prepared by ACER Inc. & NEOO Partners Inc.

Project Name: City of Brooklyn Center Entrepreneur Market Project

Project Launch Date: November 13, 2020

Project End Date: May 31, 2021

Project Status: Completion

Project Team

Position	Name	Phone Number	Email Address
<i>Project Manager</i>	Denise Butler		dbutler@acerinc.org
<i>Project Sponsor(s)</i>			
<i>Key Stakeholders</i>	City Brooklyn Center, Meg Beekman,		mbeekman@ci.brooklyn -center.mn.us
<i>Project Team Partners</i>	Pang Xiong		pxiong@acerinc.org
	Beatrice Adenodi		beatrice@mirrorink360. com
	Denetrick Powers		powers@neoopartners. com

Project Background

The need to undertake a feasibility study and Partnership Outreach & Engagements role, specific to Vision, Purpose, and Branding was to aid in the development of an Entrepreneur Market Plaza (EMP) in the Brooklyn Center identified opportunity zone, in partnership with 9 partners. We look

to solve the problem around affordable commercial space for BIPOC businesses, the connection, and accessibility to small business resources. Also, to address visibility and inclusiveness.

Project Timeline

Project Milestones	Projected Date	Contact Person	Additional Comments
<i>Milestone 1</i>	December 2020	Denise Butler	A preliminary draft was created
<i>Milestone 2</i>	March 2021	Denise Butler	Community and Staff presentations were completed
<i>Milestone 3</i>	May 2021	Denise Butler	Complete strategy and final report

EXECUTIVE SUMMARY

The need to undertake a feasibility study and Partnership Outreach & Engagements role, specific to Vision, Purpose, and Branding was to aid in the development of an Entrepreneur Market Plaza (EMP) in the Brooklyn Center identified opportunity zone, in partnership with 9 partners. The goal of the EMP outreach and engagement is to discover the need of the community and the economic feasibility of a business Entrepreneur Market Plaza and make space that provides affordable space for entrepreneurs and local small businesses to operate with access to shared technical assistance services. The goal of the EMP marketplace is to provide an inclusive, high-quality finished space with flexible lease terms that encourage local businesses to collaborate as they grow and expand their services.

African Career Education Resource., INC conducted Partnership Outreach & Engagements, specific to Vision, Purpose, and Branding for the Entrepreneur Market Plaza to discover appropriate consumer market and community connection. The activities include developing a proposed vision, purpose, and brand voice for the market and conducting research and analysis. Activities also involved analysis in gathering and reviewing existing content, materials and conducting outreach tasks in identifying constituents, key stakeholders, target businesses, community organizations, and nonprofits to participate in focus groups, facilitate community meetings, and outreach surveys; And collate and produce reports on results that include the final report of findings and recommendations.

The feasibility study conducted for the Opportunity Site Entrepreneurship Market Plaza included a look at the City of Brooklyn Center and the surrounding area's community context, demographics, market opportunity, and financial considerations. This information was gathered using a variety of tools and methods, including interviews, case study research, GIS analysis, and U.S. census data. The study includes surveying the community and stakeholders in exploring what their needs are and what is desired in an Entrepreneur Market Plaza space, which is approximately 14,000 SF. Information gathered from stakeholders, includes exploring and discovering what problem the Entrepreneur Market Plaza solves and the findings that inform the recommendations.

The Feasibility study is broken into three parts:

1. *Market Study*: Gather and analyze data about community activity, demographics, business dynamics, and existing resources and supporting entrepreneurship.
2. *Market Ownership and Operations Model*: Identify the programming needs and infrastructure to support local entrepreneurship and develop a plan for governance and management of the market plaza.
3. *Financial Analysis*: Identify operational costs and facility needs

The findings in this feasibility study provide a framework based on the best practices of the top performing incubators locally and nationally. Based on our research we found that there is no one policy, practice or program that will guarantee the success of an incubator but that through the synergy of multiple practices, policies and programs greater outcomes can be achieved. For the City of Brooklyn Center, in order to implement a community-led and driven incubator, it is important that incubators policies and programs be designed transparently and in partnership with its BIPOC small businesses and entrepreneurship community. It is also recommended that the incubator have an active marketing campaign from the beginning of its design to ensure that the surrounding community is aware of its future benefits and can continually inform its customer-facing culture.

Based on input collected from small businesses and entrepreneurs, there is a need for affordable high-quality office and retail space. Those who participated in focus groups expressed a need for technical wrap around services that support the growth of their business beyond basic technical assistance. Knowing this, we believe there is a real need and real opportunity for the incubator to make a significant impact in Brooklyn Center and the northwest metro. This study was completed with an approximate 14,000 square foot incubator in mind, but other opportunities to provide below market maker, office, or retail space should be considered throughout the Opportunity Site. While there is below market retail and office space sparsely located throughout the city and nearby surrounding communities, it is typically aged, in-poor condition or not visible to the general public. It is recommended that during the design of the incubator, its programs and policies, that a pipeline of interested businesses be developed to accurately estimate how much space will be occupied on opening day. Without this pipeline of businesses, it is difficult to estimate how much space will be needed beyond what is currently being planned for.

The question of whether the incubator is financially feasible is primarily dependent on the public leadership willingness and commitment of long-term subsidies for the incubator to operate, as well as other revenue sources such as tenant rent and service fees. Based on our analysis we anticipate an estimated \$353,000 in public sector funding needed to cover the initial year of operations. Over the first four years of operations an estimated \$1.2 million will be needed to cover the total operations and management of the incubator. These costs are subject to change during the development of the incubator and will need to be updated accordingly. Construction costs include both hard and soft costs as a percentage of hard costs, assuming new construction. These costs will also need to be updated once designs have been finalized. Appendix A covers the assumptions of the pro forma, which is separate from this report.

Next Steps

The most critical steps moving forward on the implementation of the incubator following this study includes identifying program partners, designing the incubator, and updating cost estimates, developing a pipeline of interested businesses and securing funding commitments from public sector partners. Another item that will need to be considered early includes identifying whether the incubator will be immediately owned by the Brooklyn Center EDA or a non-profit entity and what the transfer of ownership will look like long term. It is recommended that the entity be publicly owned to minimize costs, perhaps a non-profit developer, or Community Development Financial Institution (CDFI) to come to do an interim acquisition of the incubator. However, how the transaction looks between the private sector partner and the city will need to be figured out. Below is a list of other tasks that will need to be completed throughout the development of the incubator.

1. Establish an incubator organization

- a. Prepare and file by laws and articles of incorporation
- b. File for tax exempt status
- c. Appoint board and hold initial meeting
- d. Elect officers, approve mission, budget, and work plan
- e. Raise funds for incubator operations
- f. Create incubator director job description and hire for position
- g. Develop policy manuals, forms, etc.

2. Design & Construct Incubator

- a. Design incubator building
- b. Secure matching funds for incubator
- c. Construct business incubator
- d. Finish space, relocate incubator organization, partners, anchors

3. Market & Leasing

- a. Secure commitments from economic development partners
- b. Secure commitments from potential anchor tenants
- c. Develop web presence and print marketing materials
- d. Begin pre-marketing incubator space

4. Design Incubator Programming

- a. Inventory existing programs, classes, services from all sources
- b. Host monthly business networking events
- c. Identify program and service gaps
- d. Coordinate existing programming – “one stop shop”
- e. Work with partners to develop new classes, programs, and services
- f. Identify participants for advisory boards
- g. Identify service provider network

Key Findings:

- **By investing in small minority-owned businesses and entrepreneurs, the Entrepreneurship Market Plaza could positively impact job creation for BIPOC residents.** The City of Brooklyn Center is the most diverse city in the Minneapolis-St. Paul-Bloomington MSA and is centrally located in proximity to several other first ring suburban cities with diverse populations such Brooklyn Park, Columbia Heights, Crystal, Fridley and New Hope. Though the city has a diverse residential population, its minority owned business population is significantly lower than white-owned businesses. Of the minority-owned businesses that exist only 10% have paid employees.
- **There is a robust innovation and small business support ecosystem in the region that could support the Entrepreneurship Market Plaza.** Organizations such as the Metropolitan Consortium of Community Developers has a diverse membership of community-based organizations that can provide culturally relevant technical assistance

to small businesses. Hennepin County also administers several programs and matching grants for small business growth. Through the local colleges and universities, there are several networking events and resources that connect entrepreneurs to one another, incubator programs and investor relationship opportunities.

- **A general incubator format that provides a variety of services ranging from ideation to intensive incubation is the best approach for Brooklyn Center businesses.** There is not a clear industry cluster in Brooklyn Center so an incubator that solely focuses on one industry would miss the opportunity to serve a diverse set of businesses. Most minority-owned businesses in Brooklyn Center fall within three industry categories such as retail, professional services, and health care. Across different industry classes small business owners are experiencing the same challenges which include finding affordable retail & office space, market visibility and professional development.
- **A customer centric market design is the best format for serving small businesses and the surrounding community.** Unlike traditional incubators that are formatted to focus on providing office space and an entrepreneurial environment, the Entrepreneurship Market Plaza should be customer facing, providing high visibility to customers, while acting as a destination center for the surrounding community. By doing so the Entrepreneurship Market Plaza fills a local market gap by providing a destination for the weekday lunch population and weekend leisure outings.
- **Most successful incubators share similar best practices for operations and management.** This includes choosing clients based on cultural fit, potential for success, reviewing client needs at entry, showcasing clients to customers and funders, and having robust payment plans for rent and services. Incubators that had more relaxed, or no exit policies typically have less than optimal performance.
- **The size of the incubator is not a strong predictor of success.** Programming and management matter most. Having the right staff to client ratio, as well as having experienced staff and program partners that understand the needs of small businesses and entrepreneurs professionally and culturally is more important.
- **Most not incubators are non-profit models and on average receive 40% or more in funding from the public sector.** It is also true that incubators with larger budgets outperform those with budget constraints and the type of revenue sources are important. Those receiving a larger portion of revenue from rent and service fees typically outperform other programs.

PROJECT

The story of a small business center in Brooklyn Center begins with community. While the community was participating in station area planning associated with the METRO Blue Line Extension Light Rail Transit (LRT) project community organizations such as African Career Education Resources, Inc. (ACER) CAPI, Lao Association, Blue Line coalition, along with residents

and businesses identified the desire to develop an ethnic market similar to that of Little Mekong, and little Africa in Saint Paul in the City. The business community has expressed the need to own their commercial building to address affordability, predatory leasing, and better access to high traffic. The development of an ethnic market does require the development of a new building to create a welcoming and appropriate space for the community to gather and do business.

The city has embarked on a joint venture with Alatus to explore either purchasing or leasing about 14k square feet of space in their upcoming market-rate apartment housing project.

Our team will be presenting to the city of Brooklyn Center Council our preliminary findings and results of our outreach and engagement findings.

Brooklyn Center is a community of more than 30,849 residents and more than 888 businesses. Located in the Northwest Metro of the Twin Cities metropolitan area, the city is home to BIPOC majority residents that represent a diverse ethnic and cultural background. Sixty percent of Brooklyn Center residents identify as a person of color, and 1 in 4 residents speaks a language other than English at home. Brooklyn Center's diversity makes it a distinctive and vibrant place. The diversity in Brooklyn Center does not stop at its residents. The City's business community is home to large fortune 500 companies such as Wal-Mart, but also has a well-diverse selection of locally culturally respective owned businesses that serve the community directly. As the most diverse city in the State of Minnesota, Brooklyn Center is dedicated to creating an environment that is centered around, diversity, inclusion, and innovation.

Brooklyn Center has diverse micro-businesses, locally owned, a person of color-owned, women-owned, and immigrant-owned. Businesses and local business organizations have identified the need for affordable and flexible spaces for new small businesses and entrepreneurs. There is also a need for technical assistance and coordinated programming that brings businesses and entrepreneurs in the community together to share services and grow their businesses.

Branding, Vision & Mission

Overview:

Our warm/inviting brand voice came from identifying the problems that the community is struggling with and the solutions that the entrepreneur marketplace addresses in the facility. Through the initial research done by the City of Brooklyn Center, feasibility studies, and focus groups that were conducted, we were able to come up with mood boards that mirror the vision of what community members and small businesses would like to see in the community. We feel what was missing was Innovation, growth, resources, and visibility with the ability to express culture. Through the two branding concepts, we believe that we capture the essence of what we discovered that the community needs and the resources the BIPOC businesses needed to level up. The words picked for the values draw upon the common words used in a brainstorming session, research, and focus groups.

Methods

Community Survey

2 Focus Groups: Business Owners, and Community Members

1:1 Engagements

Potential Names for the Entrepreneur Market:

Cultural Garden Plaza - Seeding *the World*

Parkway Cultural Plaza- Discover *More*

Vision:

Create multigenerational wealth within the communities

Mission:

Our mission is to provide local BIPOC business the opportunity to create a cultural experience that is innovative, supportive, and inclusive to the community we service

Entrepreneur Market Plaza Space Description:

The Entrepreneur Market Plaza space is a community-led vibrant global marketplace that provides an immersive experience for communities to discover and support BIPOC business in the community. We create different economic opportunities for entrepreneurs to seed their businesses in a thriving environment that is progressive and sustainable. Our mission is to provide local BIPOC businesses the opportunity to create a cultural experience that is innovative, supportive, and inclusive to the communities. Our Entrepreneur Market Plaza marketplace is located at the intersection of Hwy 10 & Shingle Creek in Brooklyn Center.

Feasibility Study

The feasibility study conducted for the Opportunity Site Entrepreneurship Market Plaza included a look at the City of Brooklyn Center and the surrounding area's community context, demographics, market opportunity, and financial considerations. This information was gathered using a variety of tools and methods, including interviews, case study research, GIS analysis and U.S. census data. Working with ACER, NEOO Partners participated in community engagement sessions to gather community feedback, answer questions and gather insight into what the needs and desires of residents and businesses.

Regional Setting

The City of Brooklyn Center is located in Hennepin County, which is part of the Minneapolis-St. Paul-Bloomington Metro Statistical Area (MSA). Other counties in the region include Anoka, Carver, Chisago, Dakota, Isanti, Ramsey, Scott, Sherburne, Washington and Wright Counties. This region is currently home to 55% of the state's population and accounted for 81% of the state's net population growth since 2010. The City of Brooklyn Center lies within five miles of Ramsey County, the second most populous county, and Anoka County, the fourth most populous county in the MSA. The City of Brooklyn Center lies just west of the Mississippi river and is well positioned to access highways I-94, I-694 and state highway 100. This may result in some advantages for the city such as direct access to both principal cities of the region, Minneapolis & St. Paul.

The central proximity of the city in the region is a significant factor in the city's growing diversity. As the cost of living continues to grow in its larger neighbor, Minneapolis, residents have continued to spread northwest to other neighboring cities such as Brooklyn Park, Maple Grove and Plymouth. The city is located within a 20-minute drive to five of the six most populated cities in the region, Minneapolis, St. Paul, Brooklyn Park, Plymouth and Maple Grove. The region is home to 21 fortune 1000 headquarters and 15 fortune 500 headquarters with 5 of those headquarters located within a 15-minute drive.

This analysis focuses on a core area made up of 10-minute and 15-minute drive time trade areas. These trade areas are made up of the cities of Brooklyn Center, Brooklyn Park, Robbinsdale, Crystal, Fridley, Columbia Heights, New Brighton, Maple Grove, Mounds View, St. Anthony, Osseo, Coon Rapids, Spring Lake Park, Roseville and Champlin.

Demographically, the Cities of Brooklyn Center and Brooklyn Park are the most diverse in the state with residents of color making up 60% or more of the total population. The city of Columbia Heights is the 5th most diverse city in the state with approximately 40% of its population made up of residents of color.

Business Dynamics

In 2012, Brooklyn Center had an estimated 2,132 firms with or without employees. Though Brooklyn Center's BIPOC population is greater than 60%, minorities only make up an estimated 41% of total businesses. The number of minority-owned businesses with employees is significantly lower making up only 20% of the total businesses with paid employees. Only 10% of the total number of minority-owned businesses have paid employees. The total number of white-owned businesses with paid employees is almost double this, making up 18% of the total number of white-owned businesses.

In 2017, a total of 517 businesses were reported as employer firms. The education, health care and social service, and retail industries have the highest number of employer firms with 129 firms in the education, health care and social service industry and 94 in the accommodations and retail industry. Approximately 13% of the businesses in Brooklyn Center are family-owned and employee an estimated 10% of the employed population in the city. Of the total number of employer firms in Brooklyn Center, 41% reported that individuals were their customer base and 21% reported other businesses as their customer.

Over the last couple of decades, multiple retailers have closed their locations in Brooklyn Center. Brookdale mall, which use to be the city's main shopping center closed in 2010 after several of its anchor tenants closed their doors, including Steve and Barry's, JC Penny's, and Sears. In 2019, Target closed its Brooklyn Center location along with many others nationwide, as their strategy now focuses on small-format stores in densely populated urban areas. Shingle Creek Crossing, which is currently the city's main shopping center, is anchored by a Wal-Mart supercenter and surrounded by casual clothing and accessory, and fast-food retailers.

Workforce and Demographics

Brooklyn Center has an estimated total population of 30,849 persons. Despite experiencing a total population decline over the last 50 years, Brooklyn Center has seen substantial growth in its communities of color. Brooklyn Center's total population of non-white residents is 61.74%, including residents who identify as two or more races. This is a 7.63% increase from 2010. The city reached its peak population in the 1970's at just over 35,000 residents followed by loss in double digit percentages before rebounding in the 2000's. The city has only seen a 2-3% growth in population over the last decade but is expected to grow 14% over the next couple of decades.

There are a total of 10,708 housing units in Brooklyn Center. Of the total number of housing units 68.7% are single family units, 12.6% are between 2-19 units, and 18.5% are 20 units or more. 69.4% of the housing units in Brooklyn Center are greater than 50 years old with only 208 units built since 2000. The median home value is \$172, 8000 with a median mortgage cost of

\$1,407. Of the total number of housing units 60.7% are owner-occupied while 39.3% are renter occupied. More than 50% of the occupied units paying rent in Brooklyn Center pay 30% or greater of their housing income on rent.

The total population of persons aged 16 and over is 22,495. Prior to COVID-19, the City of Brooklyn Center had an estimated labor force population of 16,774 or 74.6% of the total population. In November of the same year COVID-19 happened, labor force participation dropped to a low of 68.1%. During the COVID-19 pandemic the height of unemployment reached a high of 13.5% in May 2020. By November 2020 unemployment had dropped to 6.5% which is 2.9% higher than what it was in March 2020 before COVID-19 impacts occurred. The median earnings for persons 16 years and over is \$31,996. For full-time, year-round workers the median wage earnings is \$40,132.

Resources supporting innovation and entrepreneurship

The Minneapolis-St. Paul region has a robust eco-system to support entrepreneurs that includes organized events and meetups, competitions, co-working spaces, makerspaces, Entrepreneur Market Plazas and accelerators and colleges/universities. Within this ecosystem there are also a number of non-profit and government sponsored organizations and services that provide technical assistance on basic business needs such as marketing, business plan assistance, accounting, and micro-financing. A partial list of these might include:

- Neighborhood Development Center
- Metropolitan Consortium of Community Developers
- Minnesota Score
- Small Business Development Center
- University of Minnesota
- Target Accelerators
- Grow North Minnesota
- Twin Cities Maker and others.

Other resources in the region include Hennepin County's Elevate Business program that provides businesses advising services on topics such as accounting, finance, legal, marketing, social media and human resources. The County's program has a network of business advisors and organizations that cover multiple language and cultural needs at no additional cost to the business owner. Many of the regions culturally specific organizations participate in the county's program and provide culturally competent staffing and resources for the region's ethnic entrepreneur and small business community. The Metropolitan Consortium of Community Developers also provides resources for small businesses through their membership of local community organizations. Many of these organizations such as, African Development Center, Asian Economic Development Association and the Latino Economic Development Center all

provide culturally competent programming and technical services for small businesses and entrepreneurs.

Based on conversations with local entrepreneurs and service providers, some of the challenges experienced by providers include providing businesses with low-cost financing, aligning existing services with business needs and finding experienced mentors and consultants that are culturally competent. There are several local CDFI's that provide multiple financial products for small businesses such as micro loans and grants, but that funding is often limited in its availability and amount. Though many of the existing service providers provide basic services that include business planning, accounting, and marketing, there is often a mismatch between where businesses are in their development and the type of service provided. An example of this is when small businesses are provided marketing consulting services in order to help them capture more businesses but really what is needed is consulting services focused on business operations and integration that make business processes more efficient. Lastly, there has been a shortage of culturally competent consultants that understand the different cultural norms and historical context for ethnic groups when starting businesses. Though available consultants may be experienced and can provide technical expertise for issues experienced by small businesses, for ethnic groups that practice group economics, have certain religious restrictions for certain financial products, such as non-interest loans and ethnic groups that practice anti-colonialism, consultants can sometimes be blind to these issues and unaware of how their language and approach may be harmful.

In the practice of small business incubation, the various needs of entrepreneurs and small business owners can be attended to by a number of incubation models. Most small business incubators fall under one of four business models which includes local economic development, academic/scientific, corporate and private investment. Each of the four models share similarities in their offering but these offerings change based on who they are targeting and what their objective is. Non-profit business models such as those used by local economic development authorities tend to be generalists and target small businesses, while academic non-profit models tend to focus on internal projects and providing support that help owners commercialize their product or find new sources of financing. On the other end of the spectrum, corporate and private investor models tend to be for-profit models where the main objective is to profit from investments. One benefit of for-profit models is that they tend to have more access to financial resources, though the projects and businesses they take on have higher risks.

Business Incubator Model Comparison

	Local Economic Development	Academic/Scientific	Corporate	Private Investors
Goal	Non-profit	Non-profit	For-profit	For-Profit
Main Activity	Generalists	High-Tech	Radical Innovation	Radical Innovation
Objectives	Job creation, economic development, support target groups	Commercialization, new sources of financing, image	Develop employee talent, monitoring new tech/business models/markets, profits	Profits from selling stock from portfolio of companies
Targets	Small businesses	Internal projects, external projects	Internal/external projects related to company activity	High-risk, High-return start-ups
Offerings	• Hosting/shared services • Admin Assistance • Consulting/coaching • Access to financing	• Technical advice • Concept testing • Seed Capital • Intellectual property advice • innovation ecosystem	• Financial resources • prototype/market testing • Access to commercial markets • strategic partnerships	• Venture management/advice • Financing resources • Legal services • Personal networks
Key Problems	• Stability of resources • Quality of management • Governance/risk of conflicts about objectives	• Legitimacy outside institution • Legal status/operational flexibility • Management quality	• Strategic position in corporate structure • Management independence • Mission durability • Conflict between owners of start-ups/corporate	• Sourcing of top-quality projects • Leveling payment in incubator and services provided • Development of participants at entry and liquidation
Trends	Social Entrepreneurship	Rapid development with support from public programs	Testing of concepts in multiple companies, very likely to develop	High levels of restricting and consolidation, still looking for a successful model

Source: "Best Practices for Managing Incubators" by Rahul Patwardan

Local Comparable Projects

The Minneapolis and St. Paul region has a number of ethnic marketplaces that offer a diversity of retail and professional services accessible to its ethnic community members. Several of the existing marketplaces were established by community members who identified a need for more culturally relevant products and services, as well as a need to protect small business owners and entrepreneurs from being displaced by providing opportunities for ownership. Some of the larger and more established marketplaces such as Mercado Central and Midtown Global market were supported by local small business service providers and non-profits such as Neighborhood Development Center.

Neighborhood Development Center (NDC) is a local non-profit organization that provides training and technical assistance and small business loan services to entrepreneurs and small business owners. They also create spaces for small businesses to grow by redeveloping existing property or building new. Their most popular development is the Midtown Global Market, which is a vibrant economic and cultural center that is home to over 45 businesses. NDC, along with the City of Minneapolis, entrepreneurs, and community organizations found a use for a vacant Sears building, which many feared would be another big box retailer. Midtown Global Market is primarily leased by food service businesses and small retailers but there are a few service providers that operate out of the space as well.

NDC was also a crucial partner in the development of Mercado Central, which is a Latino lead marketplace that houses a mix of professional service, food service and retail businesses. NDC in partnership with Project for Pride in Living (PPL) supported a cooperative of Latino businesses by purchasing and redeveloping a building in south Minneapolis, which is now owned by the cooperative of businesses after 16 years. Mercado Central is managed by an executive director who reports directly to the cooperatives board. Though Mercado central is owned by a cooperative legal structure, the cooperative members are exploring the establishment of a non-profit organization which they plan to use to raise funding in the form of grants and tax-deductible donations.

NEON, or the Northside Economic Opportunity Network, is non-profit organization that offers business technical assistance and specializes in developing food service businesses. Currently they occupy approximately 6,500 square feet of office space in North Minneapolis with plans to expand in the future. Though not a traditional market or retail space, NEON does offer small office and hot desk space for small businesses and entrepreneurs.

	NEON	Mercado Central	Midtown Global Market	Hmong Village	Karmel Mall
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Square Footage	~6,500	~28,000	~86,084	~105,000	~174,302
# Of Businesses	~7+	~ 48	~45	~186	~120
Types of Businesses	co-working, retail, food service, professional services	Retail, Food Service, Professional Service	Retail, Food Service, Professional Service	Retail, Food Service, Professional Service	Retail, Food Service, Professional Service
Location	North Minneapolis	South Minneapolis	South Minneapolis	St. Paul	South Minneapolis

Entrepreneur Market Plaza/Market Structure and Approach

Based on data collected through ACER during COVID-Impact relief efforts and NAICS industry data, the Entrepreneur Market Plaza/market should focus on the following industries:

- Retail
- Professional/Scientific/Technology
- Health care/social services

Though these are the primary industries present in the region and among entrepreneurs of color, the market should also cater to the needs of the general public, acting as a destination center for the day employment population, and weekend recreational activities. By catering to the needs of both the public and entrepreneurs the Entrepreneurship Market Plaza will create a dynamic environment that supports the retention and expansion of local entrepreneurs.

Key Elements of a Successful Incubator

There are several key elements that successful small business incubators share. Some of those key elements are considered “must haves”, meaning that they are crucial to the start-up phase of the incubator and its financial solvency. Other key elements are those that would be “good to have”, meaning that they are not necessary for the startup of the incubator but should be considered as the incubator grows.

Key Elements of a Successful Incubator	
Must-Have	Good to Have

Leading Entity: Have a leader who is responsible for the incubator start-up and on-going operations.	Events: Host pitch days, networking happy hours and other events to support and grow businesses.
Location Services: Offer below-market amenities, office/retail space, shared-services, etc.	Application Evaluation & Selection: Choose tenant businesses based on clear, relevant requirements to ensure quality.
Strong Partnerships: Proactively engage local government, institutions, business leaders.	Post-incubator Placement Assistance: Plan for and support tenant business graduation and next steps.
Programming & Mentorship: provide basic business technical assistance, customized assistance and mentorship opportunities.	Early Customer Programs: Create processes for incubator partners to become early customers of tenant businesses.

The Kauffman Foundation, whose programs support the research and practice of entrepreneurship, recommends 7 principles that we believe should be followed that encourages entrepreneurship leadership, entrepreneur's ownership in the programming and the long-term success of the programs and its participants. Those principles are the following:

7 principles for Designing an entrepreneurship ecosystem:

1. Put entrepreneurs front and center
2. Foster conversations
3. Enlist collaborators.
4. Live the values
5. Connect people (bottom up, top down, outside-in)
6. Tell the community's authentic story
7. Start, be patient

Put entrepreneurs front and center

The most critical component of a community of entrepreneurs is that they lead it and work closely with collaborators in order to make it work. This includes listening to entrepreneurs in order to design solutions that are entrepreneur centric.

Foster conversations

The primary focus of an entrepreneurship ecosystem is that knowledge and resources move between those that are involved. This includes developing programming that creates interactions

among peers, develops conversations that inspire hope and support aspirations and is rooted in action, which is a key driver for entrepreneurial success.

Enlist collaborators

A thriving entrepreneurial ecosystem is one that has a culture of invitation. This includes being radically inclusive, eliminating barriers based on age, culture, race, gender, or neighborhood. It also includes enhancing the diversity of connections and acting as a keystone by filling in gaps in the ecosystem.

Live the values

In order for an ecosystem to be successful it needs leaders who lead in a different way than what is traditionally shown. This doesn't mean that the community is hierarchical but that it encourages leadership throughout the ecosystem and supports leaders who lead from behind and empower others through listening and being connectors.

Connect people

The central element of a thriving ecosystem is one built on trust, collaboration and mutual gain. In order to build this thriving ecosystem, there is a need to build community across all its social boundaries by developing new communities out of old boundaries and developing social feedback loops that encourage and accelerate the flow of information.

Tell the community's authentic story

It is important to focus on a community's specific story rather than trying to emulate a peer community or a community such as Silicon Valley. The best way to do so is learn the history of entrepreneurs and their businesses, while creating ways for these stories to be shared.

Start, be patient

There is a need to take a long-term view of the change that entrepreneurs can bring to a community. This could take a decade or two to see any lasting results. The process of building a successful entrepreneurial community is emergent rather than linear, which means it is of great importance not to only measure success by traditional economic metrics and reports but also by the stories that are happening in real time.

Programming

Based on conversations with local entrepreneurs, visibility, affordability, and skills that develop professionalism were the top three needs identified that should be addressed by the EMP. Using small business relief grant data collected by ACER, we analyzed needs and business types for over 150 small businesses. Among those businesses, the primary needs included access to customers, finance and accounting and ability to scale inventory as the primary needs. The businesses examined primarily operated in the retail, health care and beauty, and professional service (taxes, construction, marketing, etc.) industries. After having examined these businesses, a general business technical assistance program may be implemented to reach a broad range of business types, while also offering some specialty services focused on e-commerce and professional and management skills. Examples of services that might be offered to entrepreneurs include the following:

Programming:

- *Business Planning & Basics*
- *Technical Assistance (marketing, accounting, legal, e-commerce, HR)*
- *Market Development*
- *Access to Capital*
- *Product Development/Feasibility*
- *Coaching/Mentoring*
- *Networking Opportunities*
- *Presentation Skills*
- *Decision making*
- *e-commerce & cyber security*

Customer:

- *Day workforce (Monday – Friday)*
- *General public (Early Evening/Weekends)*

Clients:

- *General Assistance (Business Development)*
- *One-time customized assistance (Business Development)*
- *Long-term individual assistance (Virtual Incubation)*
- *Incubation client (Physical tenant)*

Clients of the Entrepreneur Market Plaza programming will be broken into four levels of client service. The first level of service is general business assistance which is available to all who enter the EMP. This includes those exploring the idea of starting a business and those still in the startup phase of their business.

The second level of service is similar to general assistance but for those who have a specified need that may require service one time or infrequently. Examples of this include customer relationship management training, market research, or legal services for document review.

The third level of service can be described as virtual incubation due to the nature of the entrepreneur needing long-term support but not necessarily needing a physical location to work. This may include entrepreneurs needing assistance with taxes and accounting, developing systems for hiring and human resources, or in need of specialty services such as management training, presentation training, or decision-making skill-building.

The fourth level of service will be catered towards entrepreneurs who are in need of a physical location and will have access to a comprehensive package of services. These include entrepreneurs and small businesses with an established business but lack visibility and are in need of marketing support to build their clientele. It also includes retail and service-based businesses who can utilize pop-up space to establish a brand presence as they work towards scaling their operations. By being physically located in the EMP these entrepreneurs will have access to resources on site as well as frequent contact with advisors and mentors.

Business Capital Needs

Most small businesses are funded early on out-of-pocket by the entrepreneur. Due to this most small businesses and entrepreneurs are finding themselves making decisions that have potentially negative impacts such as leasing spaces that are affordable but have poor infrastructure or visibility, not investing in the proper advertising opportunities or not properly managing cash flow so that their business is always operating in a deficit. On top of having to fund businesses out of pocket, many small businesses and entrepreneurs operate as a sole proprietor taking on a lot of the financial and legal risk if their business was ever to endure any hardship. Lastly, another challenge that these businesses experience is the lack of bank financing due to their personal financial positions or the understanding that banks typically finance the growth of businesses rather than the start of them.

The primary capital needs of the small business and entrepreneurs in Brooklyn Center are micro-grants and 0%-low interest loans. Most small businesses and entrepreneurs need access to loans that are below \$100,000, which for many banks are costly and risky. By providing micro-grants and low-interest capital, local entrepreneurs and small businesses can access needed financing for acquiring assets, pursuing new opportunities, covering operating expenses, or replacing capital assets and repairs.

Rather than provide financing directly to small business owners, the role of the incubator should be to identify potential resources for funding and assisting small business owners in presenting a case for funding. This can be accomplished through services that address business planning, market research, strong product offerings, and demonstration of financial and management experience.

The incubator should also plan to work with the economic development authority and lenders to develop programs that address specific business needs as they arise. Leadership of the incubator should be familiar with alternative sources of funding such as grant opportunities and programs, as well as emerging practices such as community lending platforms and collaborative consumption.

Facility and Infrastructure Needs

Given the types of businesses that have been identified, we anticipate that the facility will consist of office space and supporting uses (conference rooms, phone/breakout areas), two to three food service uses, and small footprints of retail space.

When exploring the size of an incubator, there are several things that should be considered that will impact the cost of infrastructure, furniture and equipment needed for business tenants. Size varies from incubator to incubator but the most appropriate size for an incubator is one that can achieve critical mass of business tenants, which is between 20-30 clients. Secondly the size of the incubator should allow for client's expansion into the incubator, keeping in mind the goal of helping clients expand and grow their operations and profitability. It is ideal if unit sizes vary within the incubator as experience has shown that incubators do not work well when all the business units are the same size.

Proposed Facility Space requirements

- Private office – 150 Square feet
- Open workspace - 64 to 100 square feet
- Large conference room - 1500 square feet
- Small conference room – 500 square feet
- Retail – 300 to 500 square feet
- Food Vendor – 200 to 500 square feet

Ownership, Operational & Management Form

The recommended structure for the Entrepreneurship Market Plaza is for it to be formed as a non-profit organization that is directly supported by the City with contributing support from other small business supporting organizations that have the capacity, expertise and cultural

competence to provide the desired level of service. The City of Brooklyn Center should own the building with an exit strategy that transfers long-term ownership to a community-led entity such as a community-based investment cooperative.

The non-profit organization will be responsible for the management of the facility and the programs and will lease space from the city. Once ownership of the building is transferred to the community-owned and led entity, the non-profit organization will act as an anchor tenant. Establishing a separate organization from the City has many advantageous benefits that include:

- Having greater flexibility to act quicker and with fewer restrictions on the activities it is engaged in.
- The incubator would not be entirely dependent on upon local government budgets. It would have the ability to develop funding strategies separate of the city.
- As tax-deductible organization it is capable of receiving foundation and grant support.
- A separate non-profit organization is in better position to protect client confidentiality and not subject to any open records laws.

The initial board of the organization should be appointed by the Brooklyn Center Economic Development Authority. There should be special attention given to making sure the entrepreneurship and small business community is well represented on the board. The board should be balanced between city officials and staff that can maintain a strong relationship between the organization and city, and professionals who have first-hand knowledge of what it means to be an entrepreneur and the issues facing small businesses. A well-balanced board might have the following make up:

- Small business owner (retail)
- Small business owner (business services)
- Small business owner (manufacturing/shipping)
- Small business owner (technical services/IT)
- Financial sector (banking/accounting)
- Attorney
- EDA member
- City Council member
- Regional Partner (county or university)

The role of the board will be to provide strategic oversight and direction of the incubator. They are not expected to be involved in the day-to-day management of the facilities or services.

City Role

The City of Brooklyn Center should initially play the primary role in developing the small business incubator. Specific roles will be to inform the incubator organization, purchase the building, and invest in needed improvements. The city should expect to be a lead advocate, partner and funder of the incubator. Over the long-term the city should expect to make annual contributions towards operations.

Management

Staffing the Entrepreneur Market Plaza should be based on the number of long-term individuals assisted and intensive incubation clients that will be serviced by the Entrepreneur Market Plaza. On average one full time equivalent employee can manage 8-9 clients. This means that if there is an average of 10-18 clients will be physically located on site or needing intensive service, that the Entrepreneur Market Plaza should plan to launch with an Executive Director and two full time staff dedicated to the provision of resources and services.

The incubator should expect to have a full-time director during its initial startup phase. The individual hired for this position should have prior experience managing incubators including business development and fund-raising experience. Some initial responsibilities include:

- Assist in developing the strategic plan and annual workplans
- Building relationships with public and private organizations that may support the mission
- Market the incubator and screen potential tenants
- Establish and manage the incubators professional service, advisor and mentor networks
- Provide financial management, prepare annual budgets, and report routinely to the board
- Manage fundraising and grant activities
- Collect data to measure outcomes
- Manage operations of the facility

During the initial development of the incubator the director will be primarily focused on logistical issues developing the incubator, developing programs and marketing services. One full-time employee should be hired to support the director during the startup phase of the incubator with the expectation of taking on full responsibility of program development and marketing services in the future as business council.

Client Intake, Progress, and Graduation

Client intake should be focused on identifying the needs, goals and level of business development needed. The strategy envisions 4 levels of client services with varying level of screening needed for each. For clients looking for general assistance or customized individual assistance, little to know screening may be needed as costs may be recovered through class or individual program fee models. For more intensive clients such as those needing physical or virtual on-going assistance, where costs may be heavily subsidized, more stringent requirements during the screen process should be considered to justify the investment. These requirements should be set by the incubators board.

It commonly takes 3-4 years for an incubator to reach its max capacity, where during the initial years of operations incubators may have less restrictive criteria for client intake. Some of the commonly used evaluation criteria includes:

- Market viability (marketing plan)
- Ability to execute (business plan)
- Targeted industry sectors (professional services, retail/consumer products, health care and social services)
- Potential job creation
- Selling to non-local market

Most incubators will try to graduate tenant businesses after 3 years, but this is not always the case, and some businesses may remain a tenant for five to seven plus years. One of the ultimate goals of the incubator should be to graduate viable and sustainable businesses that can own or lease commercial space at market rate. On-going monitoring of business progress and setting up tiered lease structures are two measures that can be used to help graduate businesses.

Operational Costs

Only one out five incubators are fully funded by tenant lease and program fee revenue. Most incubators receive on annual contributions from economic development entities that subsidize program operations. Typical funding for an incubator includes federal and state grants, municipal dollars, institutional gifts, and private capital. On-going public subsidy is typically harder to source and maintain than start-up capital. Usually, a combination of public subsidy and tenant lease payments is used to operate the incubator long term.

Local business leaders, anchor institutions, and local government are typically the most crucial funding sources during the initial start-up of a business incubator. Additionally, grants from the federal EDA are sometimes available but the application process can be extremely competitive, and the pool of funds have declined over recent years. It should also be noted that EDA funding can come with a lot of strings attached that restrict the use of the property for several years. EDA funding is most times exclusively available for incubator set up and not for on-going operations.

Common Funding sources include:

- Local Foundations
- Local Universities and Community Colleges
- Local Chamber of Commerce
- Local County Government
- High Net worth Individuals
- Economic Development Administration Opportunities

The success of an incubator is not dependent on the size or age of the incubator but incubators with larger budgets typically outperform those with smaller budgets. Incubators with more financial resources have more capacity to deliver services, however the sources of funding and how they are used are equally important. Incubators that invest more resources in staffing and program delivery tend to have better client outcomes, and those incubators that have a larger portion of revenue coming from tenant lease payments and service fees perform better than other programs. Below is an example of initial expenses during the start-up phase of an incubator. These costs are based on incubators between 1,000 – 10,000 square feet in size and those who service between 15-30 tenants.

Incubator Start-up Operating Costs		
	Low	High
Staff (x1)	\$62K	\$71K
Marketing	\$14K	\$36K
Client Services	\$60K	\$120K
Hardware/IT	\$17K	\$28K
Admin/OH	\$31K	\$122K
Other	\$97K	\$122K
Infrastructure	\$20K	\$30K
Total	\$301K	\$529K

Source: infoDev.org/businessincubation

Below is a cost guide based on office tenants in North America from 2019-2020. These costs are broken out over three levels from basic office build outs (low) to high end luxury office

suites (high). For the Entrepreneurship Market Plaza, a medium to high level build out will provide quality office and retail space that serves the needs of business tenants while providing a high-quality destination center for visitors. For businesses that require space with a sense of creativity, collaboration and technology, costs for fitting out the space increase towards the high end of the cost guide.

Office Fit-out Cost Guide (per square foot)			
	Low	Medium	High
Total Project Costs	\$95	\$117	\$228
Construction Costs	\$56	\$65	\$152
Furniture, Fixtures & Equipment	\$23.90	\$30.85	\$45.43
Professional Fees	\$5.44	\$8.61	\$14.47
Technology	\$8.93	\$11.05	\$14.67

Source: North American Fit-Out Cost Guide 2019/2020, CBRE

Assessment Tool

This section provides additional tools that may be used to help administer the incubator. It includes metrics that may be used to assess program performance and impact, and a job description for a facility manager.

The business incubator may be assessed on the two dimensions of operational performance and program performance. Operational aspects refer mainly to the budgetary and physical performance of the incubator, while program performance addresses the statistical data and perceptions of programs and services offered by the incubator.

Operational Assessment

- Budgetary Performance
 - Revenues by source
 - Lease revenue and facility rental
 - Fees for programs or services
 - Grants
 - Cash and in-kind contributions
 - Other sources of revenue
 - Expenses
 - Facility-related expenses
 - Staff and overhead expenses

- Programming expenses
 - Net operating revenue
 - Percentage of costs recovered
- Incubator Facility Performance
 - Occupancy/vacancy rate
 - Turnover among incubator tenants
 - Business mix of tenants
- Organizational Performance
 - Number and type of partners (funders, mentors, service providers, etc.)
 - Partners continuing on from the prior year

Program Assessment

- Businesses started after using incubator services
 - Woman and minority business formation
- Attendance at classes and other events
- Utilization of incubator services
- Total number of clients and new clients by type
 - Incubator tenants
 - Jobs created (FT/PT)
 - Wages
 - Growth in revenues
 - Survival rate
 - Terminated companies
 - Affiliate clients
 - Jobs created (FT/PT)
 - Wages
 - Growth in revenues
 - Survival rate
 - Terminated companies
- Number of graduate businesses
 - Percent of graduates still in business
 - Percent located in River Falls or percent located in Pierce and St. Croix Counties
 - Length of stay in incubator prior to graduation
 - Jobs created (FT/PT)
 - Wages
 - Growth in revenues
- University research opportunities created
- University student placement (interns or regular hires)
- Technologies commercialized
- Research and start-up funding raised with incubator assistance

- Clients should be uniformly surveyed to assess perceived value of the incubator facilities and services. This would include a short survey for all participants in classes, training programs, and events, addressing the relevance of the topic, quality of instruction or assistance, need for more or less detail, value offered for the registration fee, and similar topics. A similar survey should be used to assess the quality of one-time assistance programs. A more substantial survey of tenants and affiliate clients should be conducted annually. Survey questions should explore:
 - Quality of incubator facilities
 - Need for additional facilities
 - Need for additional equipment
 - Quality of assistance provided – advisors, mentors, etc.
 - Need for additional services
 - Perceived impact of incubation services on business success

Business Incubator Manager Job Description

The Business Incubator Manager is responsible for programming and operations of a mixed-use business incubator serving resident and affiliate businesses. The Business Incubator Manager exercises independent judgment, decision making skills, and discretion in the performance of the position's duties. Performance in this position will be measured by the number and success of businesses assisted through incubator services, as well as the relevance and quality of programs or services offered to businesses. Specific duties of the Business Incubator Manager include:

Incubator Development

- As the business incubator is in the development stage, the Business Incubator Manager will be expected to play a lead role in designing and codifying policies and procedures to govern the facility, its programs, and its relationships with clients, services providers, and partners.

Programming Responsibilities

- Develop and manage entrepreneurial education programs, seminars, business skills training, and networking opportunities for incubator tenants, affiliate clients, and the general business community.
- Plan and execute a marketing and public relations campaign designed to increase awareness of the business incubator and its programs, and to recruit new tenants and affiliate clients.

- Provide direct support and counseling to incubator tenants and affiliate clients on basic business topics and business planning, and guide businesses to additional public or private resources that may help them to address more substantial issues.
- Establish and maintain a network of high-quality service providers who can provide training, mentoring, advisory services, or resources to the incubator, its tenants, and affiliate clients.
- Carry out a community outreach program develop and sustain relationships with government agencies, economic development partners, businesses, organizations, and individuals who may provide continued political, technical, or financial support for the business incubator. Provide collaboration with area economic development partners.
- Sustain close relationships with critical resources at the UW-River Falls, provide support for expanded campus facilities, assist in technology commercialization, and support faculty and student entrepreneurship.

Operational Responsibilities

- Manage the day-to-day operations of the business incubator, including maintenance, access and security, facility or equipment scheduling, utilities and services, procurement of services and materials, and other administrative functions
- Develop annual operating plans and budgets, prepare monthly financial and activity reports for board review, and recommend actions for board consideration.
- Ensure compliance with legal requirements for operations, including compliance with local, state and federal codes, OSHA and environmental requirements, IRS and Wisconsin Department of Revenue filings, etc.
- Schedule and conduct monthly board meetings and coordinate the activities of any committees.
- Identify and complete applications for grants funding and carry out other fundraising activities.
- Conduct recruitment, screening, intake, and regular review of incubator tenants and affiliate clients. Negotiate and structure of client agreements and leases, including the collection of rents and fees. Keep accurate files and records of each client company and any related correspondence.
- Track and report performance of the business incubator, its

tenants, and affiliate clients. Requirements:

- Bachelor's degree in business or closely related field, master's degree preferred.
- Minimum of five years' experience in business with start-up experience preferred. Candidates with experience in business incubator management are also preferred.
- Demonstrated knowledge of contract management, budgeting, fund raising, and project management. Candidates should also have expertise in the content areas of opportunity analysis, capital formation and financing, business plan and business model development, technology commercialization, customer development and lean startup, and risk assessment and risk management.
- Excellent interpersonal, verbal/written communication and problem-solving skills.
- Experience working with confidential and sensitive information.
- Flexibility and availability for working beyond the regular 8-hour workday and attending occasional weekend and evening meetings. Occasional travel may be required.

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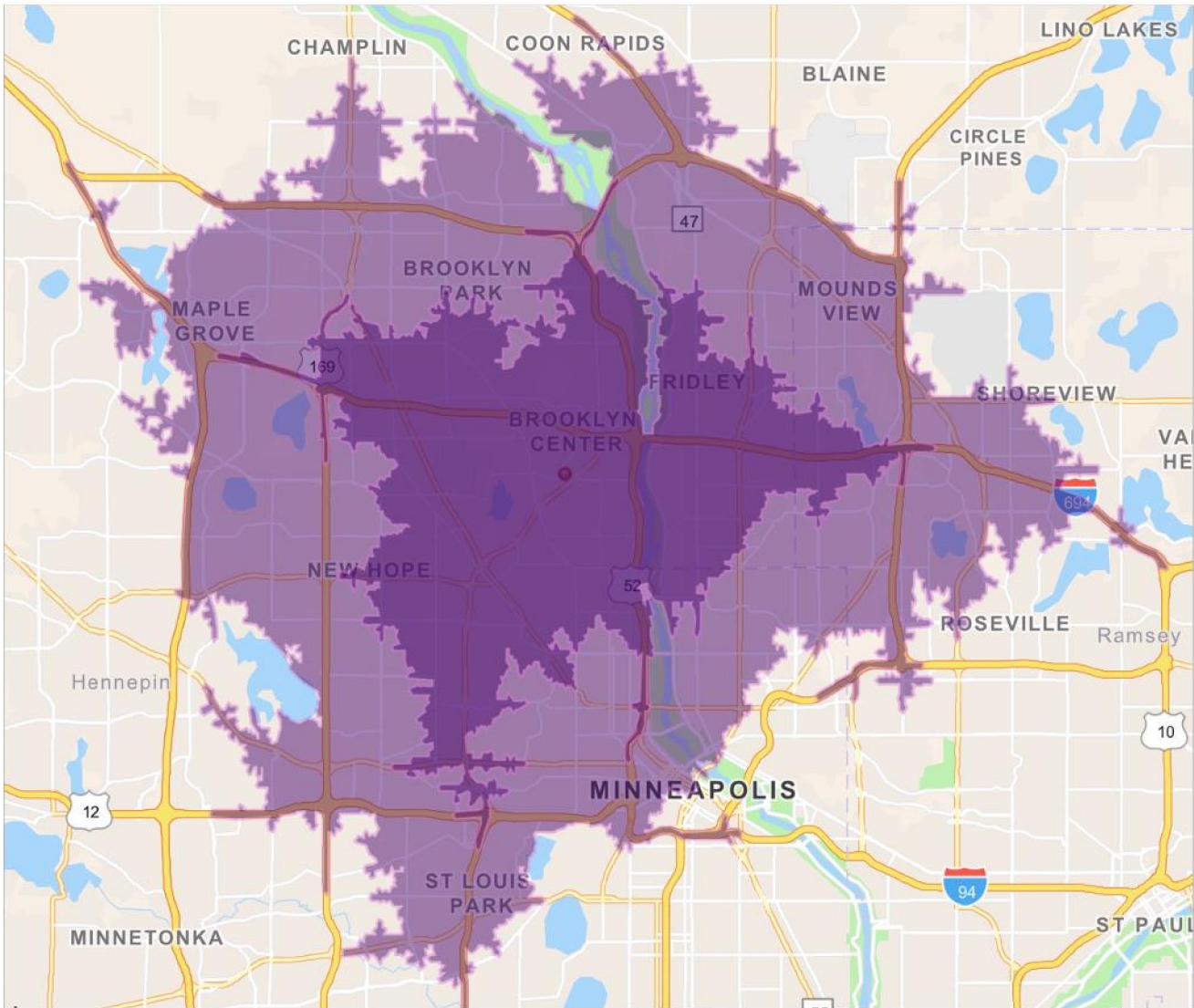
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Other Resources:

- [U.S. Economic Development Administration Funding Opportunities](#)
- [U.S. Economic Development Administration Incubator Best Practices](#)
- [Launch MN](#)
- [Small Business Administration: Office of Investments and Innovation Resources](#)
- [InBIA: Global Network of Entrepreneurial Ecosystem Builders](#)
- [Kauffman Foundation Grants](#)
- [Grants.gov](#)
- [Minority Business Development Agency](#)
- [National Association for the Self-Employed](#)
- [List of MN Incubators/Accelerators](#)

Trade Areas: 10-minutes & 15-minutes' Drive Time



Source: ESRI ArcGIS

SELECTED CHARACTERISTICS OF THE NATIVE AND FOREIGN-BORN POPULATIONS			
	Total	Native	Foreign born
Label	Estimate	Estimate	Estimate
Total population	30,849	23,494	7,355
SEX AND AGE			
Male	47.9%	47.5%	49.3%
Female	52.1%	52.5%	50.7%
Median age (years)	31.9	29.3	38.3
RACE AND HISPANIC OR LATINO ORIGIN			
One race	97.3%	96.8%	98.8%
White	44.5%	53.5%	15.9%
Black or African American	29.0%	26.5%	37.1%
American Indian and Alaska Native	0.4%	0.5%	0.0%
Asian	16.3%	12.2%	29.3%
Native Hawaiian and Other Pacific Islander	0.1%	0.2%	0.0%
Some other race	7.0%	4.0%	16.6%
Two or more races	2.7%	3.2%	1.2%
Hispanic or Latino origin (of any race)	13.5%	9.1%	27.3%
White alone, not Hispanic or Latino	38.3%	48.6%	5.4%
EDUCATIONAL ATTAINMENT			
Population 25 years and over	19,654	13,495	6,159
Less than high school graduate	14.7%	6.6%	32.3%
High school graduate (includes equivalency)	30.3%	31.4%	28.0%
Some college or associate's degree	34.7%	39.9%	23.2%
Bachelor's degree	15.1%	16.4%	12.3%
Graduate or professional degree	5.2%	5.7%	4.1%
EMPLOYMENT STATUS			
Population 16 years and over	22,495	15,743	6,752
In labor force	74.6%	72.5%	79.5%
Employed	70.4%	68.3%	75.4%
Unemployed	4.0%	4.2%	3.7%
Not in labor force	25.4%	27.5%	20.5%
CLASS OF WORKER			
Private wage and salary workers	89.0%	86.9%	93.4%
Government workers	8.1%	9.4%	5.2%
Self-employed workers in own not incorporated business	2.8%	3.5%	1.4%
Unpaid family workers	0.1%	0.2%	0.0%
OCCUPATION			
Management, business, science, and arts occupations	28.1%	32.1%	19.7%
Service occupations	20.8%	16.6%	29.7%
Sales and office occupations	21.8%	26.7%	11.6%
Natural resources, construction, and maintenance occupations	7.8%	7.6%	8.2%
Production, transportation, and material moving occupations	21.5%	17.0%	30.8%
INDUSTRY			
Agriculture, forestry, fishing and hunting, and mining	0.4%	0.6%	0.2%
Construction	5.7%	4.8%	7.8%
Manufacturing	18.0%	13.1%	28.4%
Wholesale trade	3.0%	3.8%	1.4%
Retail trade	13.4%	15.3%	9.3%
Transportation and warehousing, and utilities	4.0%	4.4%	3.2%
Information	1.4%	1.6%	0.9%
Finance and insurance, and real estate and rental and leasing	5.7%	7.7%	1.4%
Professional, scientific, and management, and administrative and waste management services	10.6%	10.2%	11.4%
Educational services, and health care and social assistance	23.0%	23.0%	22.9%
Arts, entertainment, and recreation, and accommodation and food services	8.3%	7.7%	9.6%
Other services (except public administration)	3.9%	4.5%	2.5%
Public administration	2.7%	3.4%	1.2%
INCOME IN THE PAST 12 MONTHS (IN 2019 INFLATION-ADJUSTED DOLLARS)			
Mean earnings (dollars)	69,584	71,909	64,352
Median Household income (dollars)	59,550	60,871	57,327
POVERTY RATES FOR FAMILIES FOR WHOM POVERTY STATUS IS DETERMINED			
All families	13.7%	10.8%	19.0%
Occupied housing units	10,394	7,575	2,819
HOUSING TENURE			
Owner-occupied housing units	60.7%	65.9%	46.8%
Renter-occupied housing units	39.3%	34.1%	53.2%

Source: U.S. Census American Community Survey 5-year estimates 2019

Summary Statistics for Brooklyn Center Industry 2017								
Geographic Area	2017 NAICS Code	Meaning of NAICS Code	Year	Total # of Firms	Total # of Establishments	Sales Value of Shipments or Revenue	Annual Payroll	Total # of Employees
Brooklyn Center city, Minnesota	42	Wholesale trade	2017	23	23	420,614	31,566	597
Brooklyn Center city, Minnesota	44-45	Retail trade	2017	53	64	830,799	66,171	2,053
Brooklyn Center city, Minnesota	48-49	Transportation and warehousing	2017	D	D	D	2,791	20 to 99 employees
Brooklyn Center city, Minnesota	51	Information	2017	9	11	N	4,554	80
Brooklyn Center city, Minnesota	52	Finance and insurance	2017	14	16	N	4,368	104
Brooklyn Center city, Minnesota	53	Real estate and rental and leasing	2017	32	34	39,494	5,109	148
Brooklyn Center city, Minnesota	54	Professional, scientific, and technical services	2017	60	60	89,211	45,473	490
Brooklyn Center city, Minnesota	56	Administrative and support and waste management and remediation services	2017	40	41	110,695	60,526	1,719
Brooklyn Center city, Minnesota	61	Educational services	2017	D	D	D	D	250 to 499 employees
Brooklyn Center city, Minnesota	62	Health care and social assistance	2017	117	141	203,984	89,031	2,781
Brooklyn Center city, Minnesota	71	Arts, entertainment, and recreation	2017	6	6	4,680	1,348	115
Brooklyn Center city, Minnesota	72	Accommodation and food services	2017	54	59	70,470	17,887	1,067
Brooklyn Center city, Minnesota	81	Other services (except public administration)	2017	27	27	21,210	7,906	344

Source: U.S. Economic Census 2017

Statistics for All U.S. Firms by Industry, Gender, Ethnicity, and Race for Brooklyn Center in									
Race	Gender	Total # of Firms	Sales receipts or value of shipments for Total # of Firms	Total # of Firms with paid employees	Total sales or value of shipments for firms with paid employees	Total # of paid employees	Total annual payroll	Total # of firms without employees	Sales receipts or value of shipments for Total # of Firms without employees
All firms	All firms	2,132	1,962,261	414	1,917,965	10,548	434,681	1,718	44,296
All firms	Female-owned	756	48,654	51	38,703	487	10,033	706	9,951
All firms	Male-owned	1,166	834,990	224	803,698	3,742	143,395	943	31,292
White	All firms	1,211	804,899	225	773,890	3,282	141,757	987	31,010
Black or African American	All firms	464	24,462	20	16,654	431	4,707	443	7,808
Asian	All firms	323	71,558	57	66,278	723	12,043	266	5,281
Chinese	All firms	36	S	18	S	20 to 99 employees	S	18	S
Vietnamese	All firms	47	S	2	S	0 to 19 employees	S	44	S
Other Asian	All firms	211	40,584	19	38,272	290	4,671	192	2,312
Some other race	All firms	43	882	0	0	0	0	43	882
Minority	All firms	882	99,372	82	83,747	1,176	17,106	800	15,624
Nonminority	All firms	1,135	801,617	220	773,074	3,260	141,401	915	28,544

Source: U.S. Census Economic Annual Survey 2012

Top 10 Place of Birth for Foreign Born Population	
Label	Estimate
Laos	1,058
Thailand	638
Vietnam	182
Ethiopia	358
Kenya	257
Liberia	1,313
Nigeria	386
Other Western Africa	178
Guatemala	326
Mexico	1,549

Source: U.S. Census American Community Survey 2019

Appendix E.

Entrepreneurship Market Plaza

Assumptions

Model Start Date

6/1/2022 <-- Adjust to real start date here

Project Information

Project Name	Entrepreneurship Market Plaza	<-- Name of the Incubator
City	Brooklyn Center	
County	Hennepin	
State	Minnesota	
Type	New Construction	<-- NEW CONSTRUCTION OR RENOVATION
Acreage	-	<-- ENTER ACREAGE HERE

Construction Assumptions

Cost of Land	\$	-	<-- From property records or landowner directly
Cost per Square Foot (including site dev. and hard costs)	\$	275	<--Get an estimate from local contractors (excludes parking)
Soft Costs (as percentage of Hard Costs)		20%	<-- Stick with 20% unless clear rationale for change
Efficiency Ratio		0.90	<-- Reduce if some incubator space is 'non-leasable' space

Operating Assumptions

Rent/Income Growth annually		3.0%	<-- Income (Rent) increases over time
Expense & Reserve Inflation		2.5%	<-- Expenses rise over time with inflation
Reserve(s) Interest Rate		0.0%	<-- Are your reserves earning interest in a bank account?
Initial Vacancy Rate		100.0%	<--How full will the incubator be on opening day?
Long Term Vacancy Rate		7.0%	<-- Expect some long term vacancy to be conservative
Annual Replacement Reserve per sq ft	\$	14,000	<-- Reserves for re-leasing space (cleaning, repainting, repairs etc.
Annual Op Ex Reserve per sq ft	\$	14,000	<-- Reserves to manage unexpectedly high operational costs.

Income Assumptions

Total Square Feet		14,000	<-- SF of total space
Tenant Income	\$	139,440	<-- Annual Tenant Income
Service fees	-	16,800	<-- Annual Total \$
Grants	-	250,000	<-- Annual Total \$
Total # of Tenants		14	<-- Total Income
	Per Square Foot	Monthly Rent/1000 SF Workspace	Monthly Rent per Section
Initial Rent per Square Foot	\$	0.83	\$ 830 \$ 11,620
Year 2 Rent	\$	0.85	\$ 855 \$ 11,969
Year 3 Rent	\$	0.88	\$ 881 \$ 12,328
Year 4 Rent	\$	0.91	\$ 907 \$ 12,697
Year 5 Rent	\$	0.93	\$ 934 \$ 13,078

Operating Assumptions & Expenses

	Annual Total	Total Monthly	Per Square Foot
Administrative Personnel (Set based on annual total)	\$ 120,000	\$ 10,000	\$ 8.57
Professional Services (Set based on annual total)	\$ 120,000	\$ 10,000	\$ 8.57
Insurance (Set based on annual total)	\$ 5,000	\$ 417	\$ 0.36
Landscaping Maintenance (Set based on annual total)	\$ 14,000	\$ 1,167	\$ 1.00
Legal Expenses (Set based on annual total)	\$ 10,000	\$ 833	\$ 0.71
Utilities (Electricity etc.) (Set based on annual total)	\$ 42,000	\$ 3,500	\$ 3.00
Marketing (Set based on annual total)	\$ 14,000	\$ 1,167	\$ 1.00
Total	\$ 325,000	\$ 27,083	\$ 23.21
Property Taxes (likely zero if space is publicly owned)	\$ -	\$ -	\$ -

Financing Assumptions

Grant 1: Economic Development Agency (EDA)

<-- This info is used to determine right % for your community based on income levels.

Max investment rate if A/B unemployment/per capita income provision met

80% Investment rate for community:

50%

Max investment rate if C/D unemployment/per capita income provision met

70%

Max investment rate if E/F unemployment/per capita income provision met

60%

Max investment rate if G/H unemployment/per capita income provision met

50%

Reimbursement Schedule 25/50/75/90/100

Grant 2 ex. Local Government

Grants or Local EDA

\$ 500,000

Reimbursement Schedule

<-- For informational purposes only; not built into model

Construction Loan

Percent of total cost

50%

Interest Rate

6.00% <-- Highly dependent on macro-economic factors

Project Timing

Months between site acq. & construction start	6	<-- Estimated planning process time
Construction Initiation	12/1/22	<-- Dependent on initial start date set at the top
Construction Length (Months)	18	
Construction Completion	6/1/24	
Receipt of EDA Grant (Reimbursement)	10/1/23	<-- If applicable
Receipt of Grant 2	6/1/24	<-- If applicable

Appendix F.

Entrepreneurship Market Plaza

Uses of Funds

Use of Funds	Total Cost		
Cost of Land	\$	-	<-- Value of the land or building
Hard Construction Costs (including site dev.)	\$	3,850,000	<-- Hard Cost per SF number multiplied by the incubator's square footage.
Soft Costs (as percentage of Hard Costs)	\$	770,000	<-- A certain percentage of the total hard costs.
Donation of Land?		0	<-- Is the land or building donated?
Other Donations?	\$	-	
Project Costs Before Financing	\$	4,620,000	<-- Total cost excluding loan interest etc.
Interest on Construction Loan	\$	69,300	
Project Costs After Financing	\$	4,689,300	<-- Total cost including loan interest etc.

Top-Level Returns Information		
	Breakeven Year	12 Years
	Total Cost to Build	(\$4,689,300)
Total Grants Revenue for Construction		\$4,689,300
Gross Revenue to Breakeven Year		\$5,356,452
Gross Operating Expenses to Breakeven Year		(\$5,344,576)
Net Revenue at Breakeven Year		\$11,876

Entrepreneurship Market Plaza

Sources of Funds

Permanent Sources	Source Organization	Amount	Commencement Date	Percent of Total Development Cost (before financing)
Grant 1	Ex. Economic Development Administration	\$ 2,310,000		50.00%
Grant 2	Ex. Local Nonprofit	\$ 500,000		10.82%
Grant 3	Ex. Municipal Government	\$ 1,810,000		39.18%
Total		\$ 4,620,000		
Total Sources (before financing)		\$ 4,620,000		

Construction Sources	Source Organization	Amount	Commencement Date	Percent of Total Development Cost (after financing)
Construction Loan 1	Ex. Local Bank	\$ 2,379,300		50.74%
Grant 1	Ex. Economic Development Administration	\$ 2,310,000		49.26%
Grant 2	Ex. Local Nonprofit	\$ 500,000		10.66%
Grant 3	E. Municipal Government	\$ 1,810,000		38.60%
Total		\$ 6,999,300		
Total Sources (after financing)		\$4,689,300		

Construction/Renovation Loan Information

Loan Balance (based on Total Uses before financing)	\$ 2,310,000
Interest Rate	6.00%
Monthly Draw	\$128,333
Construction/Renovation Timeline (Months)	18
Interest Accrued (Monthly)	\$ 5,775
Interest Accrued (Annually)	\$ 69,300
Name of Lender:	Ex. Local Bank

Appendix H.

Cash Flow Table 1

Actual Month		6/1/2022	7/1/2022	8/1/2022	9/1/2022	10/1/2022
Construction Cash Flow (by Month)	Total	1	2	3	4	5
Sources						
Grant 1 - EDA	2,310,000	0	0	0	924,000	924,000
Grant 2	500,000	100,000	0	0	40,000	0
Grant 3	1,810,000	1,810,000	1,519,225	0	0	0
Construction Loan 1	2,379,300	2,379,300	2,379,300	3,507,750	3,116,975	2,766,200
Uses						
Total Development Cost (before financing)	(4,620,000)	(385,000)	(385,000)	(385,000)	(385,000)	(385,000)
Construction Loan Interest Payment	(69,300)	(5,775)	(5,775)	(5,775)	(5,775)	(5,775)
Construction Loan Payoff (Less Interest)	(2,310,000)	0	0	0	0	0
Final Balance		3,898,525	3,507,750	3,116,975	2,766,200	2,375,425

11/1/2022	12/1/2022	1/1/2023	2/1/2023	3/1/2023	4/1/2023	5/1/2023	6/1/2023
6	7	8	9	10	11	12	13
924,000	1,848,000	1,848,000	1,848,000	2,772,000	2,772,000	3,498,775	3,416,000
0	40,000	0	0	40,000	0	0	40,000
0	0	0	0	0	0	0	0
2,375,425	1,984,650	1,633,875	1,243,100	852,325	501,550	0	0
(385,000)	(385,000)	(385,000)	(385,000)	(385,000)	(385,000)	(385,000)	0
(5,775)	(5,775)	(5,775)	(5,775)	(5,775)	(5,775)	(5,775)	0
0	0	0	0	0	0	0	(2,310,000)
1,984,650	1,633,875	1,243,100	852,325	501,550	2,882,775	3,108,000	1,146,000

Appendix I.

Cash Flow Table 2

Operating Cash Flow	2022	2023	2024	2025	2026	2027
Gross Revenue						
Tenant Income	139,440	139,440	143,623	147,932	152,370	156,941
Service fees	16,800	17,304	17,823	18,358	18,909	19,476
Grants	250,000	256,250	262,656	269,223	275,953	282,852
Other Income (Events, Training Sessions etc.)						
Total	406,240	412,994	424,103	435,512	447,232	459,269
Less Vacancies	(406,240)	(28,910)	(29,687)	(30,486)	(31,306)	(32,149)
Effective Gross Income	0	384,084	394,415	405,027	415,925	427,120
	1,183,526					
Operating Expenses						
Marketing Expenses	(14,000)	(14,350)	(14,709)	(15,076)	(15,453)	(15,840)
Administrative Personnel	(120,000)	(123,000)	(126,075)	(129,227)	(132,458)	(135,769)
Professional Services	(120,000)	(123,000)	(126,075)	(129,227)	(132,458)	(135,769)
Insurance	(5,000)	(5,125)	(5,253)	(5,384)	(5,519)	(5,657)
Landscaping Management	(14,000)	(14,350)	(14,709)	(15,076)	(15,453)	(15,840)
Legal Expenses	(10,000)	(10,250)	(10,506)	(10,769)	(11,038)	(11,314)
Utilities (Electricity, Water, etc.)	(42,000)	(43,050)	(44,126)	(45,229)	(46,360)	(47,519)
Replacement Reserves	(14,000)	(14,350)	(14,709)	(15,076)	(15,453)	(15,840)
Operating Exp Reserves	(14,000)	(14,350)	(14,709)	(15,076)	(15,453)	(15,840)
Total Operating Expenses	(353,000)	(361,825)	(370,871)	(380,142)	(389,646)	(399,387)
Net Operating Income	(353,000)	22,259	23,545	24,884	26,279	27,733
Return on Cost	(0.08)	0.00	0.01	0.01	0.01	0.01
Cumulative Cash Flow	(353,000)	(330,741)	(307,196)	(282,312)	(256,032)	(228,299)

2028	2029	2030	2031	2032	2033	2034	2035	2036
161,649	166,499	171,494	176,638	181,938	187,396	193,018	198,808	204,772
20,060	20,662	21,282	21,920	22,578	23,255	23,953	24,671	25,412
289,923	297,171	304,601	312,216	320,021	328,022	336,222	344,628	353,243
471,633	484,332	497,376	510,774	524,537	538,672	553,193	568,107	583,427
(33,014)	(33,903)	(34,816)	(35,754)	(36,718)	(37,707)	(38,723)	(39,768)	(40,840)
438,618	450,429	462,560	475,020	487,819	500,965	514,469	528,340	542,587
(16,236)	(16,642)	(17,058)	(17,484)	(17,921)	(18,369)	(18,828)	(19,299)	(19,782)
(139,163)	(142,642)	(146,208)	(149,864)	(153,610)	(157,450)	(161,387)	(165,421)	(169,557)
(139,163)	(142,642)	(146,208)	(149,864)	(153,610)	(157,450)	(161,387)	(165,421)	(169,557)
(5,798)	(5,943)	(6,092)	(6,244)	(6,400)	(6,560)	(6,724)	(6,893)	(7,065)
(16,236)	(16,642)	(17,058)	(17,484)	(17,921)	(18,369)	(18,828)	(19,299)	(19,782)
(11,597)	(11,887)	(12,184)	(12,489)	(12,801)	(13,121)	(13,449)	(13,785)	(14,130)
(48,707)	(49,925)	(51,173)	(52,452)	(53,764)	(55,108)	(56,485)	(57,897)	(59,345)
(16,236)	(16,642)	(17,058)	(17,484)	(17,921)	(18,369)	(18,828)	(19,299)	(19,782)
(16,236)	(16,642)	(17,058)	(17,484)	(17,921)	(18,369)	(18,828)	(19,299)	(19,782)
(409,372)	(419,606)	(430,096)	(440,849)	(451,870)	(463,167)	(474,746)	(486,614)	(498,780)
29,247	30,823	32,464	34,172	35,949	37,799	39,723	41,725	43,808
0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
(199,053)	(168,230)	(135,767)	(101,595)	(65,646)	(27,847)	11,876	53,601	97,409

Entrepreneurship Market Plaza

Reserves Balance

[Budgeting for reserves ensures the incubator has money to manage unexpected tenant turnover and operational challenges.]

Reserve Type	2022	2023	2024	2025	2026	2027	2028
Replacement Reserves	\$ 14,000	\$ 14,350	\$ 14,709	\$ 15,076	\$ 15,453	\$ 15,840	\$ 16,236
Operating Expenses Reserves	\$ 14,000	\$ 14,350	\$ 14,709	\$ 15,076	\$ 15,453	\$ 15,840	\$ 16,236
Reserves Total	\$ 28,000	\$ 28,700	\$ 29,418	\$ 30,153	\$ 30,907	\$ 31,679	\$ 32,471
Reserves Cumulative	\$ 28,000	\$ 56,700	\$ 86,118	\$ 116,270	\$ 147,177	\$ 178,857	\$ 211,328

2029	2030	2031	2032	2033	2034	2035	2036	2037
\$ 16,642	\$ 17,058	\$ 17,484	\$ 17,921	\$ 18,369	\$ 18,828	\$ 19,299	\$ 19,782	\$ 20,276
\$ 16,642	\$ 17,058	\$ 17,484	\$ 17,921	\$ 18,369	\$ 18,828	\$ 19,299	\$ 19,782	\$ 20,276
\$ 33,283	\$ 34,115	\$ 34,968	\$ 35,842	\$ 36,738	\$ 37,657	\$ 38,598	\$ 39,563	\$ 40,552
\$ 244,611	\$ 278,727	\$ 313,695	\$ 349,537	\$ 386,275	\$ 423,932	\$ 462,531	\$ 502,094	\$ 542,646

**Council/EDA Work
Session**
Council Chambers
August 9, 2021

AGENDA



ACTIVE DISCUSSION ITEMS

1. BC Inno-Hub Concept Review and Discussion

PENDING LIST FOR FUTURE WORK SESSIONS

1. Pending Items

Council/EDA Work Session

DATE: 8/9/2021

TO: City Council

FROM: Dr. Reggie Edwards, Acting City Manager

THROUGH: N/A

BY: Meg Beekman, Community Development Director

SUBJECT: BC Inno-Hub Concept Review and Discussion

Requested Council Action:

Background:

As part of the construction of Municipal Liquor Store #1, the City constructed an attached shell commercial space of approximately 3,500 square feet. This space was constructed at a cost of roughly \$318,000 and was financed through the liquor store fund. Assuming that the costs of construction would be paid over 15 years, the annual debt service would be approximately \$27,000 per year. For lease term analysis that equates to approximately \$7.50 per square foot, prior to any common area maintenance (CAM) charges. The City's CAM rates are \$3 per square foot, which does not include property taxes because the property is exempt. Estimated market rates per square foot of equivalent leasable space are \$22 to \$28, with additional CAM fees of \$8 to \$12 per foot.

At the time the shell space was constructed, the plan was to have the EDA acquire it at some point in the future from the liquor store and utilize it to support small business development.

At the June 10, 2019, City Council Work Session, the Council discussed the future tenant space, directed the Finance Director to move forward with its construction, and discussed how it might be utilized in the future. The discussion included an array of options for the future use of the space that represented varying levels of city commitment and involvement. The options presented for discussion were:

1. No build.
2. Build additional space with intention to sell building and property to highest and best bid.
3. Build additional space with intention to sell building and achieve Council priorities (i.e. Resident Economic Stability), but maintain some property rights over future use. The City would retain some ability to have a voice on future use based on criteria of the user(s) and property use.
4. Lease at market rates to highest/best proposal.
5. Lease with intent to achieve specific Council priorities (i.e. Resident Economic Stability), with no operating subsidy assumed.
6. Lease with intent to achieve specific Council priorities (i.e. Resident Economic Stability), with an operating subsidy assumed.

The Council directed that the space be built and indicated that the space should be used to support small and local businesses as part of the strategic priority of Resident Economic Stability. Further, the Council indicated some willingness to subsidize the use of the space, but did not indicate a level or amount of subsidization they would be comfortable with.

The space has since been constructed, and is currently just a shell. Additional finishing is required before it can be used, which is estimated at \$100 per square foot, for a total estimated cost of approximately \$350,000.

Options Explored

Staff has been exploring options for the use of the space and spoken with several small business resource providers to better understand how the space might best be utilized. Options that have been explored have included:

- Leasing the space to a small business, such as a restaurant, at below market rents - This was examined in partnership with several business resource providers to identify specific potential tenants.
- Establishing a micro-business incubator to support small and emerging entrepreneurs - NEON explored this concept for a time, but have since moved on from it.
- Establishing a business resource hub - Currently proposed by PAADIO Consulting

BC Inno-Hub Proposal

Paadio Consulting has submitted a proposal for the use of the space. Their full proposal is attached to this report. Their vision is to create a small business and workforce resource hub to deliver diverse and inclusive programming for economic empowerment and opportunity to fast-track post-pandemic economic recovery & rebuilding.

They are proposing to utilize the space to serve Brooklyn Center residents and entrepreneurs by providing small business technical assistance, workforce development training and market place matchmaking. The business model for the space includes:

1. Providing leadership in equitable and inclusive business innovation and community development
2. Delivering Micro-Business growth support, coaching, consulting, workspace, meeting space, virtual office, mailing, and reception services that provides additional pathways for wealth-building
3. Creating an inclusive business networking marketplace, a matchmaking service linking small and large businesses in mutually beneficial partnerships
4. Hosting UpSkilling workforce development programming from community partners

Paadio is proposing to lease the space from the City and oversee its build-out into a functioning and usable space. As the manager of the BC Inno-Hub, their role would include:

- Delivering micro business programming and services - technical assistance training
- Bringing in and managing third-party training and development programming
- Engaging diverse stakeholders in micro-scale economic empowerment
- Hosting community collaborative programming and leadership events
- Creating a leadership space for equitable and inclusive business practice

They envision the space as a community resource, out of which themselves and other community partners, as well as the City, can deliver programming, resources and assistance to local businesses and entrepreneurs. They envision a flexible programming model that allows the delivery of services to evolve and innovate over time to meet changing community needs.

As a resource hub, the space would rely on partnerships to deliver micro-business development, workforce development, youth outreach and training, and management. Paadio has identified and reached out to various potential partners and begun developing those relationships and connections.

Paadio has developed a launch timeline that includes using a phased approach, allowing them to leverage existing core competencies to create early success, while building on community partnerships to incrementally increase the service offerings over a 36 month period.

Paadio is also working on a business model with the goal of stabilizing the operations over time and becoming self sustaining. Their initial funding sources would include:

- Equity investment
- City financial support
- Philanthropic and corporate sponsorships and grants
- Program revenue from co-working spaces, office rentals, pod service fees and event hosting

Paadio has provided an initial budget and operating model, which is attached to this report. They have estimated a build-out cost estimate of \$385,000, with first year start-up expenses of \$32,000.

Paadio is seeking to raise \$500,000 of capital to initiate this project.

Requested Action

Paadio is seeking a Memorandum of Understanding from the City, indicating the City's support of the project and willingness to partner on fundraising and continued program development efforts.

Similar to a preliminary development agreement, Paadio is seeking a formalized partnership with the City to allow them access to the space and time to identify funding partners, raise resources, and develop formalized partnerships with organizations to deliver programming.

Paadio is not seeking dedicated City funding at this time; however, they want to explore and discuss the City's willingness to provide the space at no cost, as part of their initial build-out and 36 month operations launch. Additionally, American Rescue Plan funds may be a potential source of funding that will be explored as part of the fundraising strategy for the space.

The 2021 EDA budget has identified \$50,000 of funds to support the build-out and use of this space. If the City Council is supportive of this concept, these funds may be utilized to further support its development and build-out.

Paadio Consulting will provide a presentation at the June 28 meeting, and be available to answer Council questions about their concept.

Policy Issues:

- *What questions does the Council have about this concept proposal?*
- *Is the City Council supportive of entering into a MOU with Paadio Consulting to indicate the City's support of the project and provide resources to support fundraising and program development efforts?*
- *Are there any concerns the City Council has, that should be explored or considered as part of the due diligence for this project?*

Budget Issues:

The 2021 EDA Budget has identified \$50,000 to be used for the build-out and development of this space.

Antiracist/Equity Policy Effect:

The purpose of this project is to forward the City's strategic priority of Resident Economic Stability, by creating a business resource center to serve and connect local entrepreneurs.

Strategic Priorities and Values:

Resident Economic Stability

ATTACHMENTS:

Description	Upload Date	Type
BC Inno-Hub Proposal	6/18/2021	Backup Material
BC Inno-Hub Timeline and Proforma Presentation	6/23/2021 8/18/2021	Backup Material Presentation

PROPOSAL FOR “BC INNO-HUB”

A BUSINESS INNOVATION HUB IN



SUBMITTED BY:

Paadio Consulting
1007 West Broadway Ave
Minneapolis, MN 55411

CONTACT PERSON: Jude Nnadi

CONTACT INFO: jude.nnadi@paadio.com

REF: Site Location:

Shell building at 1350 Shingle Creek Pkwy, Brooklyn Center, MN 55430

PROJECT TITLE: BROOKLYN CENTER INNO-HUB

INTRODUCTION

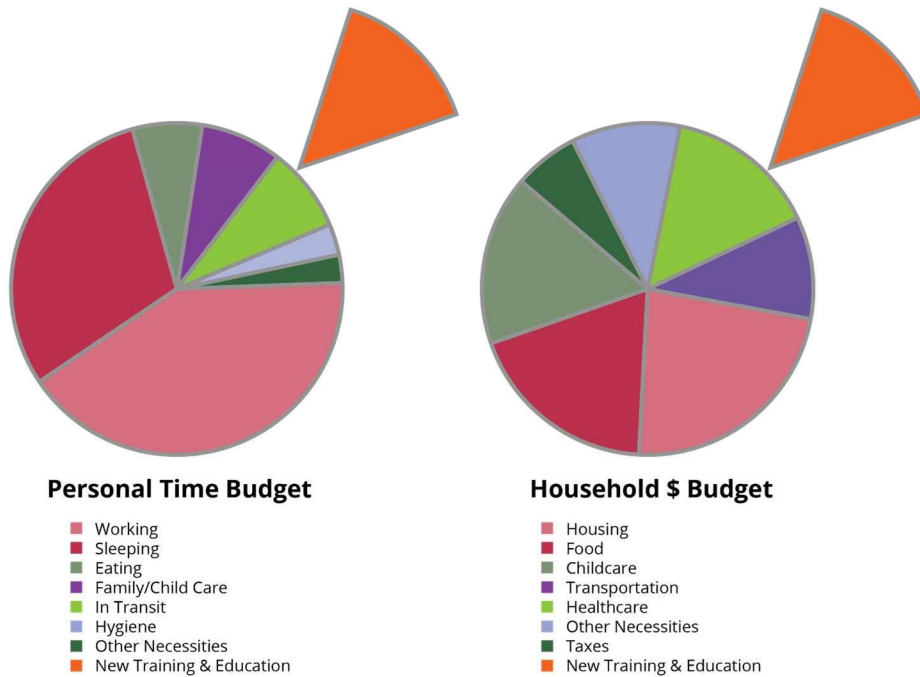
Paadio Consulting exists to transition all people from subsistence to surplus. Micro enterprises and individuals at the economic margin lack the available time and capital needed to invest effectively in growth. To build equitable and inclusive prosperity in Brooklyn Center, Paadio Consulting proposes to launch an Innovation Hub in the city's shell building at 1350 Shingle Creek Parkway.

The Brooklyn Center Inno-Hub will create a diverse and inclusive center for economic empowerment and opportunity to fast-track post-pandemic economic recovery & rebuilding.

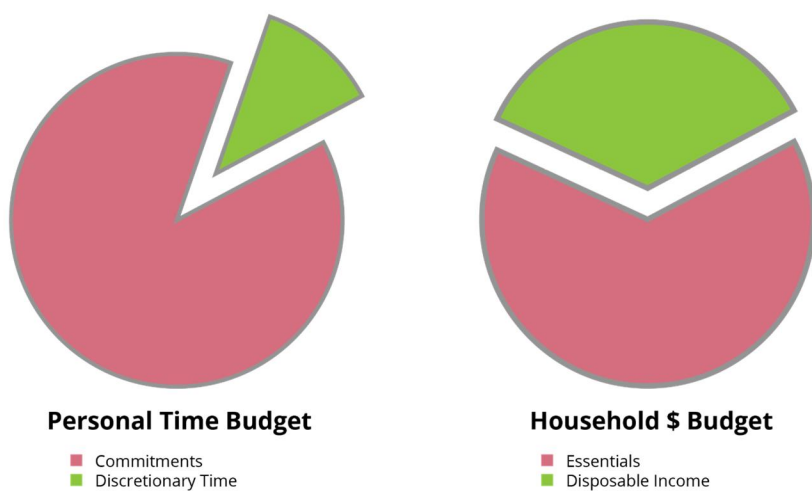
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Subsistence Model: No Capacity for Investment



Prosperity Model: Surplus for Investment



PROJECT SUMMARY:

The BC Inno-Hub will perform 4 core functions:



1. Provide leadership in equitable and inclusive business innovation and community development
2. Deliver Micro Business growth support, coaching, consulting, workspace, meeting space, virtual office, mailing, and reception services, within an Opportunity Zone that provides additional pathways for wealth-building
3. Create an inclusive business networking marketplace, a matchmaking service linking small and large businesses in mutually beneficial partnerships
4. Host UpSkilling workforce development programming from community partners

Leveraging the Paadio Consulting team's expertise in microbusiness development and many partners in economic and community development, The Inno-Hub will provide resources, training, technology, and mentorship to grow and retain entrepreneurial and skilled talent in Brooklyn Center and the Twin Cities region.

The Inno-Hub will give the city government, leading corporations, and nonprofits a productive forum to connect with entrepreneurs, problem solvers, newcomer business leaders, and emerging workforces.

“BC INNO-HUB is a Unique Social Enterprise, Driven by Public-Private Partnership, Maximizing Value for the City’s Residents and Businesses”

Paadio Consulting requests free access to the 3500 sf. vacant business space at 1350 Shingle Creek Parkway in Brooklyn Center, to create **BC Inno-Hub**, a center for inclusive business development and opportunity. This catalyzing enterprise will:

- Help local micro businesses network and grow.
- Connect leading businesses with diverse partners.
- Train local emerging talent creating improved career pathways.
- Prototype and showcase potential development avenues to engage the community on projects such as the Brooklyn Center Opportunity Site.
- Attract revenue and resources to Brooklyn Center

BC Inno-Hub will provide facilities and tools to nurture new ideas and creative business initiatives. Our resources, support, and programming will help our community become more resilient, advancing economic success and prosperity at the individual level. BC Inno-Hub will create initiatives to generate business linkages and partnerships between micro businesses, large companies, the city, nonprofits, and foundations. BC-Inno-Hub will foster a positive environment conducive for all stakeholders large and small to collaborate, create, and innovate together in a supportive network.

LEAD PROJECT PARTNER and CORE COMPETENCIES:

Paadio Consulting is a social enterprise dedicated to transitioning all people from economic subsistence to persistent prosperity and abundance. Paadio's ventures help newcomers, people at the economic margins, and micro entrepreneurs build the capacity to invest meaningfully in growth and development. Our core competencies are in leadership in inclusive economic development, micro business support, and building diverse equitable business partnerships. We are bridgebuilders between micro enterprises, big business, BIPOC communities, and regional government. We connect businesses of all sizes with the resources and partnership they seek.

Paadio has an extensive network of economic development specialists ready to deploy micro business support services and deliver DEIB matchmaking services to large corporations. Paadio's partner organizations are poised to deliver UpSkilling workforce development solutions to Brooklyn Center.

Our services include coaching, training, facilitation, management and consulting, delivering diverse, equitable, and inclusive business development resources and programming. Our focus is local and regional including Brooklyn Center and the Twin Cities region.

Paadio works in close collaboration with municipalities and fiscal sponsors to deliver innovation and opportunity in economic empowerment, microbusiness management, corporate DEIB matchmaking, technology training, career advancement, entrepreneurship, workforce development, and youth development. Paadio partners with nonprofit organizations, corporate entities, and foundations to fund and execute our empowerment programming. Through Paadio's management of the Innovation Hub, Brooklyn Center will see an influx of resources and funding for inclusive economic development.

Economic empowerment at the individual level is a question of access to opportunity, and not just the opportunity itself. Reducing the barriers to increasing incomes for Brooklyn Center residents is what the BC Inno-Hub is founded to solve.

Paadio's Role:

- Deliver micro business programming and services
- Source and manage third-party training and development programming
- Engage diverse stakeholders in micro-scale economic empowerment
- Host community collaborative programming and leadership events
- Create a leadership space for equitable and inclusive business practice

SECTION 1: KEY NEEDS & ISSUES

A. Community Needs:

Post-Pandemic Economic Recovery and Inclusive Opportunity for All Stakeholders:

Residents of Brooklyn Center need the resources to emerge from the dual crisis of the COVID-19 pandemic and the economic and social disparities created by systemic racism. The creation of multi-generational wealth is needed to elevate our community and our children's prospects. Creating discretionary income fosters true freedom of choice, economic equity, and the power to **invest** in family, home, business, and the community of Brooklyn Center.

Micro Business Owners need tools, resources, and access to sustain operations, network with complementary business, grow revenue, and scale up business.

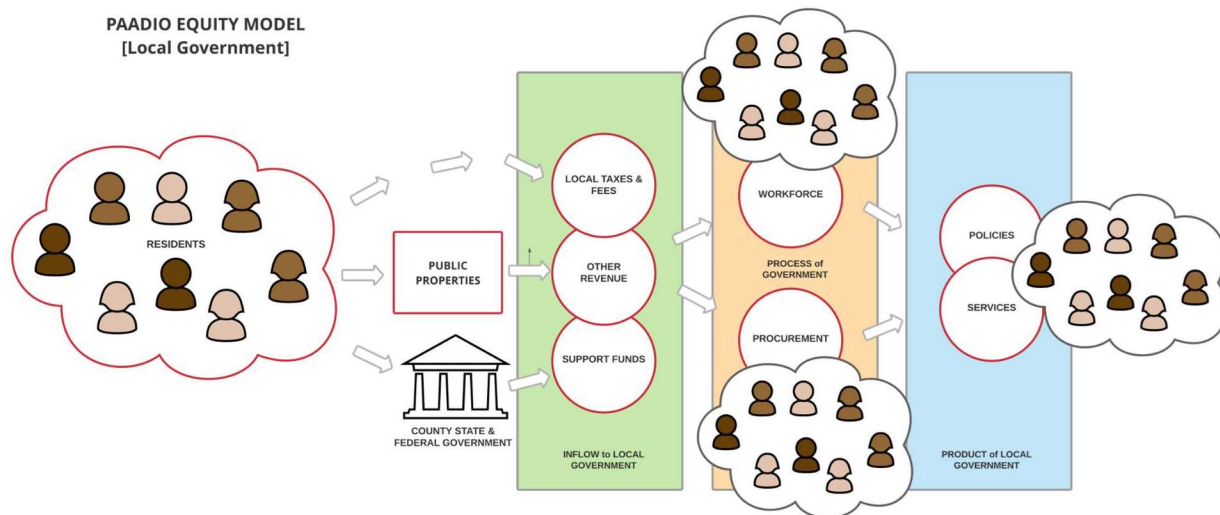
Unemployed and under-employed residents need to find career inspiration, hone relevant skills, and connect with higher-income employment opportunities.

Nonprofits focused on diversity, equity, inclusion, and belonging will need points of access to connect with constituencies with need.

Corporations lack the connections to fully enact inclusive and equitable procurement and employment policy. They seek community partners in leading initiatives to create a more diverse, equitable, and inclusive society.

City Governments lack the network of diverse vendors, suppliers, partners, and employees to fully embody and enact inclusive equitable civic policy. Cities need skilled, passionate, collaborative, and creative partners to create and extend a web of supportive services and resources to empower all residents to reach greater prosperity.

We will have reached equity and inclusion in our cities when all citizens engage with and fully benefit from all segments of our governing apparatus.



B. Contextual Factors:

Paadio has identified several factors influencing need for an inclusive innovation hub:

- 1) The city has shifted significantly post-COVID and the community outcry with civil unrest. There is an increasing pressure, need, and will to focus on diversity, equity, inclusion, and belonging (DEIB) across the city, region, and state, as our nation places greater focus on issues of social justice, economic equality, civil rights, and civic fairness.
- 2) Large corporations and the business community have an increasing desire to do business at all levels with diverse populations, but generally lack the relationships to follow through on expanding meaningful engagement in channels other than sales, such as employment, procurement, and investment.
- 3) Brooklyn Center is the most diverse city in Minnesota, and one of the most diverse cities in the midwest. As such, our community has the most to gain from successful implementation of DEIB initiatives. Our hub will help accelerate and amplify the benefits of a diverse community, [and foster investment in the city](#). As a city that is regionally ahead of the curve, in terms of shifting demographics and diversity, we have the opportunity to test and perfect new models for success, and act as leaders for our state and nation.
- 4) Average incomes within Brooklyn Center are lower than Hennepin County as measured for each racial segment. To improve the quality of life in Brooklyn Center we need to raise incomes for our whole community and build and attract new economic resources.

-
- 5) Brooklyn Center has few resources and support systems available for economic and career empowerment, particularly as it relates to individuals and micro businesses.

C. Community Assets:

Brooklyn Center is uniquely positioned to lead in diverse, equitable and inclusive economic development. The following factors can contribute to Brooklyn Center's leadership in solving a local, regional, and national challenge facing our democracy:

- We are Small - change is easier when you start at a small scale
- We are Flexible - with a smaller city infrastructure we can move quickly
- We are Diverse - our differences are our strength; many perspectives lead to holistic and sustainable solutions
- We are Emblematic of shifting regional and national demographics - the region and the nation are looking to us to see how we solve our issues
- We have a Motivated newcomer population - our country has been built on the ingenuity and hard work of immigrants realizing an evolving American Dream time and time again. We are the engine of innovation.

SECTION 2: VISION & STRATEGY

A. Goals:

The overall vision of Paadio is encapsulated in the following statement:

We exist to make systemic prosperity the normal way of life, by bridging the gaps between large economic players and micro entities in the shared business ecosystem. **We empower invisible entrepreneurs** by catalyzing personal economic growth using a diversity, equity, inclusion, and belonging lens.

Through the services of the BC Inno-Hub we aspire to revitalize local economies, create generational wealth, and support the city's inclusive economic development focusing on post pandemic recovery.

B. Objectives:

The objectives of **BC Inno-Hub** will bridge gaps and expand opportunities for systemic change in the following areas:

1. Provide thought leadership in equitable and inclusive innovation and development.
 - a. Generate, and infuse new ideas into the city's leadership, management, and deliverables to residents
 - b. Create a space for ideation, experimentation, business prototyping, and mentorship to help the City realize the mission and vision of its Opportunity Site, as well as the full potential of other redevelopment sites.
2. Provide direct support and service to micro business owners and job seekers
3. Create a matchmaking service connecting small diverse business entities with large economic partners.
4. Create a hub venue for inclusive economically-focused initiatives, fostering collaboration between residents, city government, business owners, nonprofits, foundations, regional corporations, and innovation experts.

C. Target Audiences:

This project would be focused on supporting:

- Micro Businesses (businesses grossing <\$250k/yr with 0-5 employees)
- Community Career Changers and Youth
- Local and Regional Entrepreneurs
- BIPOC community
- Local Government systems
- Corporations seeking DEIB partnerships

SECTION 3: PROGRAMS, PARTNERSHIPS, and PROCESS

Paadio proposes to develop the BC Inno-Hub in a phased approach designed to create value quickly, reduce risk, scale with time, and attract valuable external financial resources and expertise to the city. By combining the diverse competencies of Paadio Team Consultants with existing and future community partners the Inno-Hub will be able to quickly scale up program offerings over the first 36 months of operation.

A. Programs:

BC Inno-Hub program offerings and services align with the core competencies of Paadio Consulting as well as those of its key partners, and are grouped into four areas.

Please reference our Timeline worksheet on page 17 that provides a visual overview of phased launch of programming.

DEIB Leadership and Innovation -

- **DEIB Business Consulting** - provide strategic services to corporations, governments, and foundations seeking to build diversity, equity, inclusion, and belonging into their vision, mission, operations, offerings, and investment.
- **EDA Micro Business Summit** - Host regional collaborative conference sharing strategy, policy, and programming to support and accelerate micro business growth across the Twin Cities.
- **Inclusive Procurement Summit** - Host summit accelerating growth in inclusive practice in corporate procurement. Share end to end solutions for building diversified partner and vendor portfolios.
- **DEIB Collaboration Summit** - Host community development summit focused on building synergistic partnership and joint venture leading to inclusive and equitable outcomes in personal economics and social power.
- **Inclusive Recruiting Summit** - Host regional summit sharing best practices for diverse talent attraction, inclusive recruiting, and equitable pipeline development.
- **Workforce Equity Lab** - launch collaborative incubator for nurturing experimental initiatives in workforce diversification.

Micro Business Growth Services -

- **Micro Business Navigation Coaching** - provide individual guidance to micro entrepreneurs on growth strategy, operations, system navigation, and investment
- **CoWorking Space Rental** - provide virtual office, coworking and semi-private workspace, meeting space, and office technology to local micro businesses
- **Micro Business Boot Camps** - provide short weekend and evening intensives teaching core business skills for microbusiness with topics including accounting, marketing, finance, technology, legal, procurement, HR, creative

- **Micro Business Accelerator** - create a micro business focused multi-month intensive to nurture, grow and professionalize micro-business concepts, technology development, customer acquisition, marketing, investment, hiring, etc.
- **Micro Business Pod Services** - launch cluster of direct services from local and virtual providers creating the fractional employment opportunities in specialty business management competencies to catalyze seamless scaling of micro business. Create aggregated customer opportunities for professionals in accounting, finance, legal, marketing, creative, IT, etc.
- **Micro Business Incubator** - long term host and guide an in-house collaborative cohort of micro businesses. Candidates for incubation would come from graduates of the accelerator with a concentration on promoting BIPOC entrepreneurship and DEIB business practice

DEIB Business Matchmaking Marketplace -

- **DEIB Matchmaking Service** - Our Navigator team will provide consultation and direct service to corporations in identifying, developing, and closing on diverse and inclusive partnering opportunities.
- **Local eMIX Forums** with Meet and Greet, Networking Events - Host business networking events structured to introduce large and small players to each other
- **Procurement Link Forum** - Host physical networking opportunities for institutions and vendors (this programming currently exists in a virtual format).

UpSkilling Workforce Development -

- **Youth Career Inspiration in partnership with BrookLynk** - We will coordinate closely with the BrookLynk Director and her team to add unique value to the existing programs and the expanded programming coming soon. The Youth Career Inspiration Program will provide events for youth to network with recruiters and hiring managers, as well as people working in specific career fields.
- **Coding Academy** - This is high level upskilling and reskilling in technologies that include cybersecurity, Application Programming Interface (API), coding and Data Analysts. We have started building relationships with local trainers as well as Trilogy - (One of the largest technology training organizations in the US.
- **On-the-Job training** -The Hub will facilitate on-the-job training between employers and a pool of local talents. We will design the program with the stakeholders to identify the areas of need and match with local applicants. The employers will pay some percentages of the pay rate while we augment with sponsoring partners.
- **Mentor-Protege-Program** - facilitate a collaborative growth program for larger organizations to subcontract small jobs to microbusinesses, provide mentorship, training and supportive environment for the protege to learn the ropes, earn

revenue, and build capacity. The proof of concept is well established by MnDOT. We will modify it to achieve the designed outcome

B. Project Partners



As a hub of resources, skill, and vision the BC Inno-Hub will draw on a deep well of knowledge and experience from the Paadio Consulting team and our group of talented partners. With partners in micro business development, workforce development, technical solutions, economic and community development funding, DEIB advocacy, and real estate management, we are positioned to deliver a comprehensive suite of supportive offerings and innovation that no single organization could deliver alone.

- **Micro Business Development Support Partners:**

- ACER: microbusiness economic development
- Mirror Ink360 -- full spectrum of branding and marketing services.
- Significant Advantage -- small business development, training, coaching, and technical assistance.
- Impact Zone Strategies -- small business owner professional development, leadership training, and HR services.
- MIX -- Meetups, Networking, Forums, Investment and Business Service Matchmaking since 2019 supporting Brooklyn entrepreneurs & innovators. Digital platform and space design partner.
- Joule Micro Nation -- focused on freelancers and micro business development, networking, and training.
- TVA Tax, Accounting, and Legal -- CPA and Legal services in Brooklyn

Center focused on small businesses and individuals needing tax strategy and education.

- **Workforce Development Partners:**

- AfriMentor - Equips, empowers, and positions black immigrants with skillsets that foster career development, personal income, and wealth-building
- BrookLynk - We will coordinate closely with the BrookLynk Director and her team to add unique value to the existing programs and the expanded programming coming soon. Our focus is on matching job seekers with mentoring and on the job training in an apprenticeship-style.
- Prosperity Ready - Develops ready-now immigrant talent programs, provides navigation, and places participants with pre-committed hiring organizations.
- Whitestone Personal and Professional Marketing - Customized job transitions
- We Network Now - Connect professionals of African descent to opportunities and demystify professional and personal success.

- **Technical Partners:**

- HandsOn Twin Cities -- Technical partner in developing digital supports for micro business
- Target Corporation -- Technical partner in developing communication for fundraising, corporate partnerships, and the digital platform for supplier diversity search, networking, and matching.
- City of Brooklyn Park EDA -- Technical partner in development of DEIB Procurement programming

- **Funding Partners:**

- Partnership with various Community Based Organizations (CBOs) and foundations for fiscal sponsorship on projects and programs.
- Donald Shea -- Former executive director of US Chamber of Commerce, raised over 10M for public/private initiatives.

- **Potential Collaborative Programming Partners: [Community Partners]**

- LIBA -- Community-based organization providing fundamental business services to African-owned businesses and other BIPOC populations.
- ACER -- Community-based organization providing career and micro business services to the African immigrant community and other BIPOC populations.
- CAPI -- Community-based organization providing career and micro business services to Asian immigrant community and other BIPOC populations.
- MAC -- Community-based organization providing community engagement with and advocacy for Africans in Minnesota, with multiple initiatives in

- Brooklyn Center.
- MEDA -- CDFI providing access to capital, lending services and technical assistance for entrepreneurs of color.
- ADC --- CDFI providing access to capital and financial training.
- **Spatial Management Partners:**
 - NEON - Offers coworking spaces, expert guidance from NEON Business Advisors, mentorship, business incubation and development, training, workshops.
 - Brady Real Estate Development -- Space planning, budgeting, cost analysis, and space management. Opportunity zone expertise.

C. Program Launch Timeline

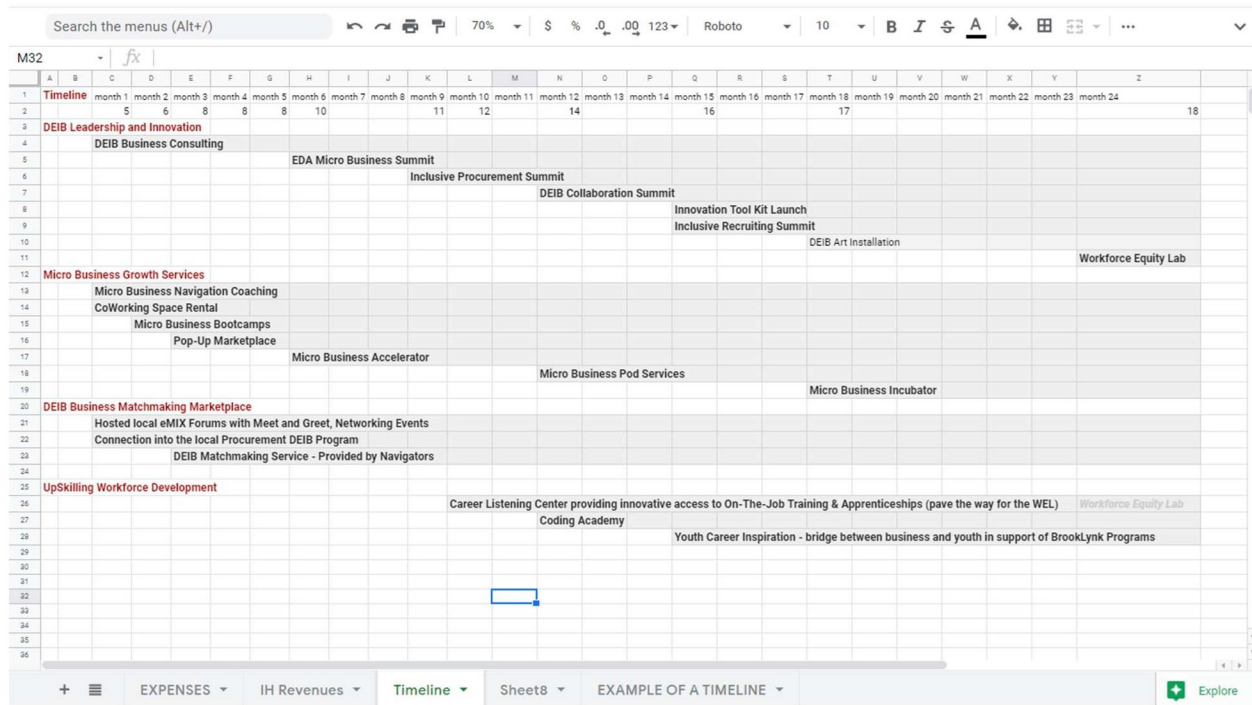
Paadio proposes to reduce risk in the development process by using a phased approach. This will allow us to leverage existing core competencies and create fast wins for stakeholders, collaborating through our established relationships with community-based organizations and CDFIs like NEON, Metro IBA, LIBA, ACER, MEDA, ADC, Women-Venture, and NDC. Together with our experienced partners we will be able to incrementally launch a strong suite of offerings over our first 36 months. This collaborative approach will allow the BC Inno-Hub to rapidly build excitement, participation, success, and further funding sources and programming opportunities. As a customer/client-focused business we will adjust our program planning based on both measured outcomes and direct feedback from our diverse set of stakeholder groups.

Our four focus areas create a strategic roadmap when viewed in sequence.

- Providing DEIB leadership events and programming up front is designed to create visibility for the hub and attract new clients, participants, partners, and funders.
- Rapidly deploying micro business support services brings in a diverse clientele of local entrepreneurs seeking to build wealth through private enterprise.
- Building on micro business support with UpSkilling workforce development programming will attract motivated local job seekers who seek to build wealth through employment.
- This powerful combination of diverse entrepreneurs and job seekers is exactly the community that corporations seeking to build inclusive and equitable business practices wish to engage.

In this way, building DEIB leadership events and consulting, micro business support services, and upskilling workforce development programming together create the venue and the supply part of our DEIB Business Matchmaking Marketplace. Corporations, representing the demand part of the matchmaking marketplace, see the value of the BC Inno-Hub's proposed integrated services as it creates a pipeline and pathway for

inclusive equitable business practice that otherwise does not exist. Innovation is in creating a viable symbiotic relational space for small and large economic players to connect and share value.



SECTION 4: MANAGEMENT & OPERATION OF THE HUB

Paadio will provide the strategy, planning, build-out, management, and operation of the Inno-Hub space with a cultural appreciation of the city of Brooklyn Center's demography.

A. Business Model

The term “hub” is the foundation of our business model. Our local research with corporate and government procurement and workforce professionals has highlighted the increasing cost of the gaps they are facing that are impacting talent acquisition, employee engagement, supplier diversity, and customer retention. **The overall lack of context for building relationships with the local community at large, and the BIPOC community in particular, is becoming more painful.** One pillar of our model is to create revenues by providing corporate and government partners with high value direct channels and a physical + digital context of the Inno-Hub to **network** with local micro businesses and job seekers, and for providing collaborative and practical programs that engage the local community in multicultural and multigenerational innovation on behalf of larger businesses.

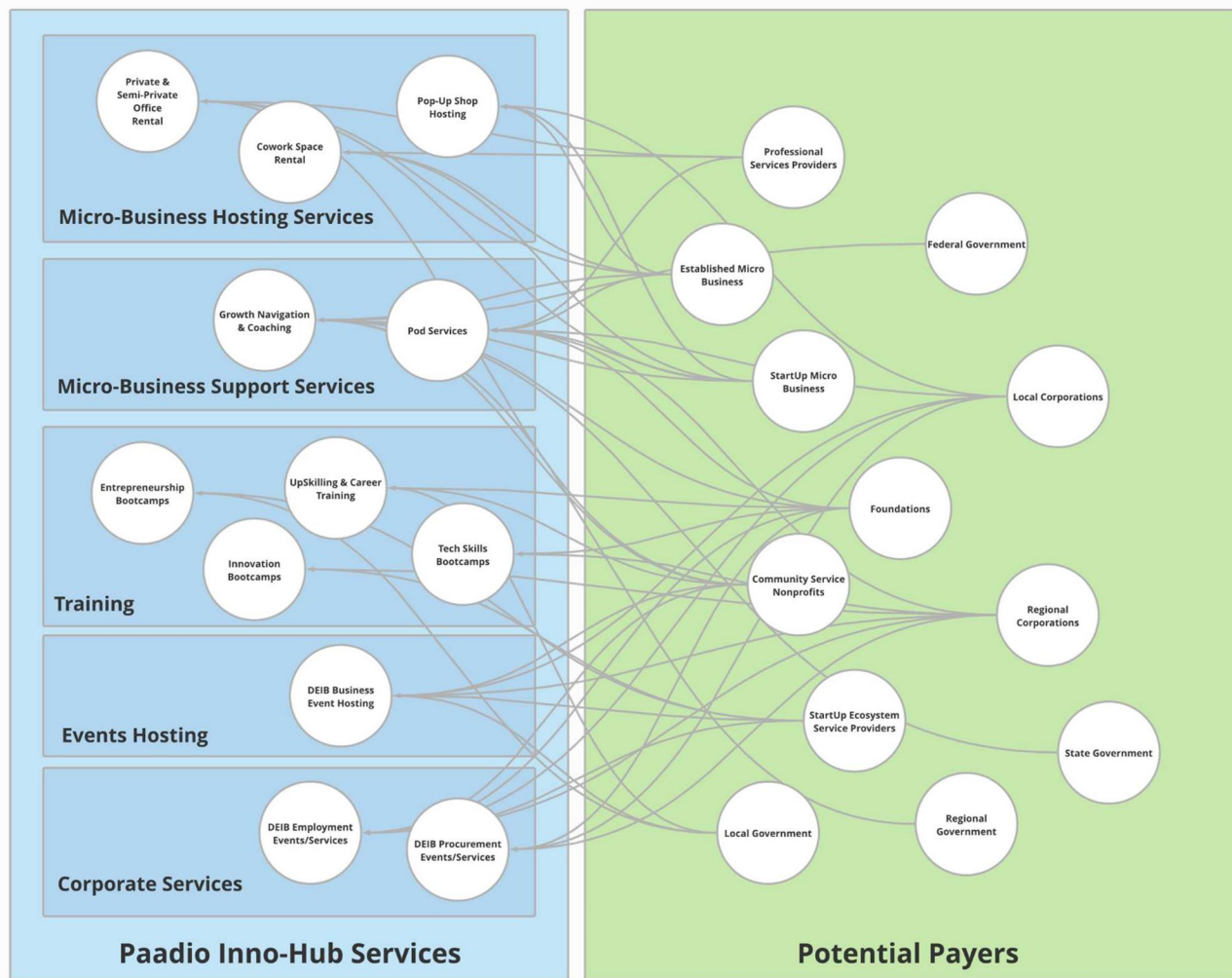
Even in this smaller format, event space is in high demand. Our plan provides for a highly flexible space that can be configured for different types of uses and events. We will produce DEIB-focused events for the business community that celebrate the vibrant cultures in our surrounding communities, introduce immersive cultural experiences for corporate clients, and provide event planning, management, and hosting services through our dynamic event partners and local vendors who provide in-demand services to the business clients and entrepreneurs who will frequent this space.

Our emphasis is on providing relevant high value propositions to our clients in the macroeconomic environment, while fundraising to subsidize and sponsor the advancement of micro business and job seekers in the community. This sets our business model apart from typical coworking and event spaces.

SUMMARY OF INNO-HUB FUNDING SOURCES:

- Paadio startup investment
- Brooklyn Center financial support
- Foundation, Corporate, and Nonprofit sponsorship and grants in collaboration with public and private partners.
- Internally generated revenue
 - *coworking space renting*
 - *office renting*
 - *Pod service fees*
 - *Event hostings*
 - *corporate training*
 - *Township Retreat & Immersion*

- *Full Immersion - minimum of a full working day*
- *Partial Immersion - After hours - evenings*
- *concierge services*
- *build partnership Earl Brown Center for sizes beyond the Hub.*
- *Identify areas of group tour expressing our diversity and richness in culture*
- *partner with community based organizations for culturally immersive diversity networking, entertainment and cultural appreciation.*



B. Budget Summary:

PROJECT COST ESTIMATES:

(reference *Budget Worksheet*: https://docs.google.com/spreadsheets/d/1IJ0_Sdb9IqblGnX9NskL9FnFsLp-q_uQ03noC3JGWDI/edit?usp=sharing)

Buildout	Startup	Year 1	Year 2	Year 3
buildouts est. at \$80/sf x 3500sf	set up expenses	fixed costs per month phase 1	fixed costs per month phase 2	fixed costs/mo phase 3
\$ 280,000	\$ 32,000	\$ 12,220	\$ 18,400	\$ 22,100
FFE est. \$30/sf for phase 1				
\$ 105,000		\$ 146,640	\$ 220,800	\$ 265,200
DIRECT REVENUES:		Phase 1 revenues	Phase 2 revenues	Phase 3 revenues
		\$ 220,125	\$ 597,525	\$ 774,600
GROSS MARGIN ESTIMATES:		23%	28%	34%
FUNDRAISING	\$500,000			

C. Requests to the City EDA:

In summary, Paadio is grateful to the City EDA and Council for the opportunity to build and manage the Inno-Hub for collaboration and gathering that supports the micro business community and advances other initiatives in the city.

Our specific requests:

- Paadio is requesting free access from the City to use the empty space (approx. 3,500 sq ft) that is located close to the Opportunity Site to create **BC Inno-Hub**.
- Paadio is requesting budgetary support and/or subsidies to accelerate initial startup and nurture early operations.
- Paadio is requesting partnership with the city in acquiring additional resources from third party funding sources.
 - *Work with Paadio to develop a Memorandum of Understanding to define the partnership with the City EDA.*
 - *Allow Paadio to secure the space during the Inno-Hub project development, estimated to take about six months to define the detailed buildout and business plan and raise funds.*
 - *Provide a letter of intent and assistance in identifying local allies who are most likely to welcome the opportunity to provide funding and other forms of support for the Inno-Hub and its services.*

D. PreLaunch TIMELINE:

- Present proposal to City Council
- Receive Approval to Proceed with MOU between City and Paadio
 - Place hold on usage of proposed Inno-Hub space
 - **Develop funding sources in partnership with city**
- Develop formal MOU with EDA by Aug 30, 2021
- Finalize site development / buildout plan by Oct 15 2021
- Obtain permits and complete initial phase buildout by Dec 30 2021
- Equip the space for soft launch by January 15 2022

development timeline



CLOSING STATEMENT:

Thank you to the City Council, Mayor, and EDA for your consideration of our BC Inno-Hub Proposal. We are excited by the opportunity to create broad value for the community that is realized by diverse stakeholders. We are grateful to the City of Brooklyn Center for supporting ongoing efforts to innovate in both business and equitable and inclusive practice. We look forward to co-creating regional leadership in inclusive economic development with the city.

Sincerely,

Jude Nnadi and the Paadio Consulting Team

[illegible]

	marketing	10%	\$22,013		Other Construction Costs	Other costs directly related to jobs such as waste disposal, onsite storage rental, etc.
	sales commissions	15%	\$33,019	impact investor money?	Other Job Related Costs	Other costs directly related to jobs such as waste disposal, onsite storage rental, etc.
	set up costs	5%	\$11,006	how we're going to spend it and why	Outside Services	Payments to outside contractors (non-employees) for projects, consulting, or short-term assignments
	dedicated office set up	3%	\$6,604	who we're going to present to	Parts Purchases	Purchases of parts for use on customer repairs or resale
	program facilitation leans on outsourced	44%	\$96,855		Payroll Expenses	Payroll expenses
	partners to reduce costs and risks				Postage and Delivery	Postage, courier, and pickup and delivery services
					Printing and Reproduction	Printing, copies, and other reproduction expenses
					Product Samples Expense	Cost of products used as floor samples or given to customers for trial or demonstration
					Professional Fees	Payments to attorneys and other professionals for services rendered
					Purchases – Hardware for Resale	Purchases of hardware items for resale that are not tracked or counted in inventory
Sq Ft		23.00%	\$50,629		Purchases – Parts and Materials	Purchases of parts and other supplies used on service and maintenance jobs
rent psf					Purchases – Resale Items	Purchases of items for resale that are not tracked or counted in inventory
CAM psf					Purchases – Software for Resale	Purchases of software items for resale that are not tracked or counted in inventory
Gross psf per yr	\$0				Reference Materials	Coding books, anatomical charts and models, etc.
Annual Rent	\$0				Rent Expense	Rent paid for company offices or other structures used in the business
Monthly Rent	\$0				Repairs and Maintenance	Incidental repairs and maintenance of business assets that do not add to the value or appreciably prolong its life
					Research Services	Research costs including legal library and subscriptions for research services
					Restaurant Supplies	Supplies purchased for restaurant operations. Includes dishes, cookware, and other items not classified as inventory or fixed assets
					Salon Supplies, Linens, Laundry	Costs of supplies used in the course of business (includes linens and laundry services)
					Seeds and Plants Purchased	Seeds and plants purchased for producing farm income.
					Shop Expense	Miscellaneous shop supplies and related shop expenses (rags, hand cleaning supplies, etc.)
					Small Medical Equipment	Purchases of small instruments and equipment not classified as fixed assets for medical practices
					Small Tools and Equipment	Purchases of small tools or equipment not classified as fixed assets
					Storage and Warehousing	Amounts paid to store farm commodities.
					Subcontractors Expense	Subcontracted services performed by other contractors
					Taxes – Property	Taxes paid on property owned by the business, franchise taxes, excise taxes, etc.
					Telephone Expense	Telephone and long distance charges, faxing, and other fees Not equipment purchases
					Tools and Small Equipment	Purchases of tools or small equipment used on jobs
					Travel and Meetings	Expenses related to travel, meetings, conferences
					Conference, Convention, Meeting	Conducting, or sending staff to, program-related meetings, conferences, conventions
					Travel Expense	Business-related travel expenses including airline tickets, taxi fares, hotel and other travel expenses
					Travel Expenses for Drivers	Business-related travel expenses including hotel and meals for drivers
					Truck Maintenance Costs	Maintenance, repairs, tires, etc. on trucks, tractors, and trailers for hire
					Uniforms	Uniforms for employees and contractors
					Utilities	Water, electricity, garbage, and other basic utilities expenses of your office or business facilities
					Vaccines and Medicines	Vaccines, medicines, and other drugs for medical practices
					Worker's Compensation Insurance	Worker's compensation insurance premiums

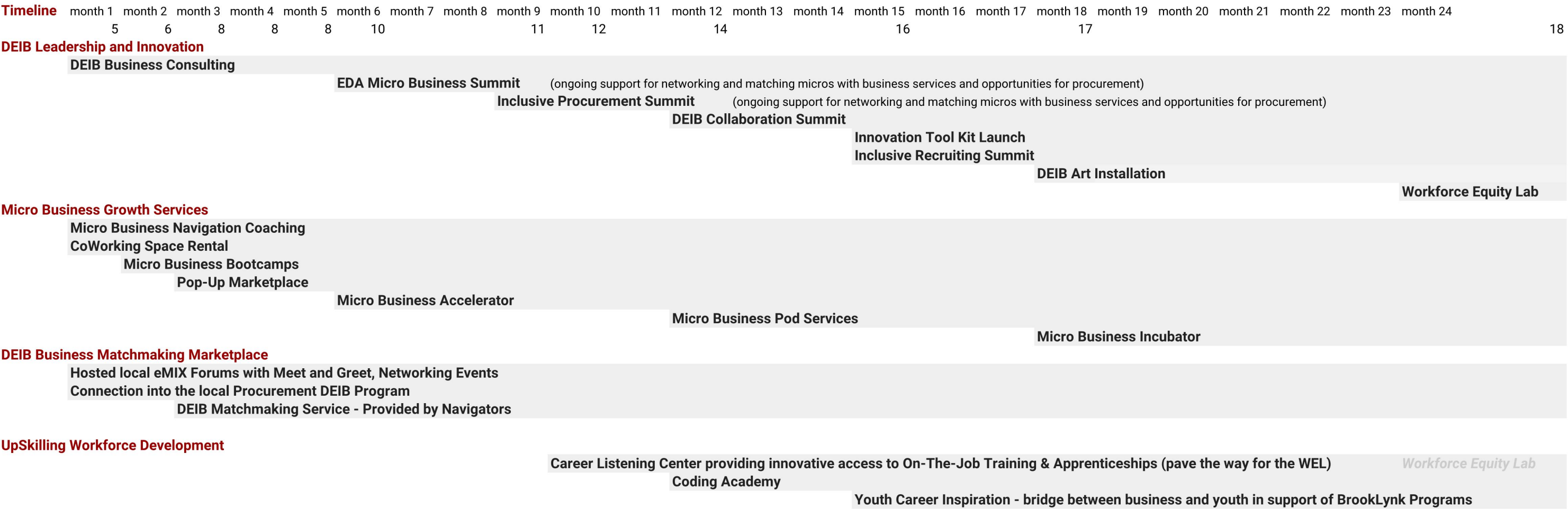
services				Year 1: \$220,125				Est. Rev/Mo: \$64,550		Year 1:	month 1	month 2	month 3	month 4	month 5	month 6
				Year 2: \$597,525				at mid-capacity		\$220,125	\$6,800	\$7,850	\$8,150	\$14,825	\$14,625	\$14,925
				Year 3: \$774,600						COS	\$1,564	\$1,806	\$1,875	\$3,410	\$3,364	\$3,433
										OVERHEAD	\$12,220	\$12,220	\$12,220	\$12,220	\$12,220	\$12,220
										CASHFLOW	-\$6,984	-\$6,176	-\$5,945	-\$805	-\$959	-\$728
				#/mo	unit type	unit rate	rev est.									
open services for the community	community services with fiscal sponsorship from Community-Based Organizations like CAPI, ACER, LIBA, NEON	list of paid services	BASIS FOR BUDGET		subsidized by partners to provide accessibility											
					subsidized by partners to provide accessibility											
					subsidized by partners to provide accessibility											
					subsidized by partners to provide accessibility											
					subsidized by partners to provide accessibility											
	business lounge with business book library	mailing service	\$75/month	20	users	\$75	\$1,500				150	300	450	600	750	900
	food and beverage bar/counter	reception and phone answering service	\$150/month	10	users	\$150	\$1,500				150	300	450	600	750	900
	restrooms	vendor/supplier matching service	\$150/month	20	users	\$150	\$3,000				300	450	600	750	900	1050
	wifi	private furnished day offices	\$750/month	3	users	\$750	\$2,250				750	1500	1500	2250	2250	2250
POSITION BROOKLYN CENTER "AT THE CENTER"					subsidized by partners to provide accessibility											
		work rooms (marketing, design, prototyping)	\$35/hour	100	hours	\$35	\$3,500				700	700	700	875	875	875
to create value for cities & school districts					subsidized by partners to provide accessibility											
		conference room	\$35/hour	100	hours	\$35	\$3,500				700	700	700	875	875	875
as well as corporations					subsidized by partners to provide accessibility											
		phone booths	\$35/hour	100	hours	\$35	\$3,500				0	0	0	875	875	875
-- through the power of diversity					subsidized by partners to provide accessibility											
		events:					\$0									
-- through demonstrating inclusion and cultural appreciation					subsidized by partners to provide accessibility											
		space rental	\$100/hour	20	hours	\$100	\$2,000				500	500	500	1000	1000	1000
-- through specific services for connecting with and engaging people of different cultures and languages					subsidized by partners to provide accessibility											
		event production	\$50/hour	20	hours	\$50	\$1,000				0	0	0	0	0	0
		event management	\$50/hour	20	hours	\$50	\$1,000				0	0	0	0	0	0
		entertainment or speakers	fees vary (split for Inno-Hub)	1		\$500	\$500				0	0	0	500	0	0
Offer packages to cities, school districts, and corporations					subsidized by partners to provide accessibility											
		sound system rental	\$50/hour	10	hours	\$50	\$500				0	0	0	0	0	0
		light system rental	\$50/hour	4	hours	\$50	\$200				0	0	0	0	0	0
		A/V equipment rental	\$50/hour	10	hours	\$50	\$500				0	0	0	0	0	0
		training	\$100/hour	20	hours	\$100	\$2,000				500	500	500	1000	1000	1000
		coaching	\$100/hour	8	hours	\$100	\$800				200	200	200	200	200	200

technical assistance / navigation	\$75/hour	subsidized by partners to provide accessibility	40	hours	\$75	\$3,000	1500	1500	1500	2000	2000	2000
FOCUS MORE HERE:												
innovation tool kit		corporate or govt clients	4		\$1,200	\$4,800	0	0	0	0	0	0
facilitation sessions		corporate or govt clients	2		\$1,200	\$2,400	0	0	0	1200	1200	1200
(reference Jude + Zark's list of funding sources)						\$0						
microbusiness pods -- service fees			6		\$400	\$2,400	0	0	0	0	0	0
corporate training			8		\$300	\$2,400	0	0	0	1200	1200	1200
township retreat & immersion			0.5		\$7,200	\$3,600	0	0	0	0	0	0
partnerships with other event centers like Earle Brown			2		\$100	\$200	0	0	0	0	0	0
special events that celebrate diversity and cultural appreciation			1		\$5,000	\$5,000	0	0	0	0	0	0
(through food, entertainment, media)												
networking events and services			3		\$500	\$1,500	1500	1500	1500	1500	1500	1500
matching services			10		\$1,000	\$10,000	0	0	0	0	0	0
import/export connections, consulting, partner with U.S. and Minnesota Trade Office, Global Minnesota						\$0						
kiosk with interactive touch smartboard with preset resources for people to connect with, chosen based on good fit with BC community						\$0						
sponsored interactive art installation that people can touch and create for constantly changing designs			20		\$100	\$2,000	0	0	0	0	0	0

month 7	month 8	month 9	month 10	month 11	month 12	Year 2:	month 13	month 14	month 15	month 16	month 17	month 18	month 19	month 20	month 21	month 22	month 23	month 24
\$21,800	\$21,600	\$21,900	\$29,450	\$28,950	\$29,250	\$597,525	\$50,150	\$38,350	\$38,850	\$52,125	\$45,025	\$45,125	\$57,050	\$49,850	\$57,050	\$49,850	\$57,050	\$57,050
\$5,014	\$4,968	\$5,037	\$6,774	\$6,659	\$6,728	28%	\$14,042	\$10,738	\$10,878	\$14,595	\$12,607	\$12,635	\$15,974	\$13,958	\$15,974	\$13,958	\$15,974	\$15,974
\$12,220	\$12,220	\$12,220	\$12,220	\$12,220	\$12,220	\$220,800	\$18,400	\$18,400	\$18,400	\$18,400	\$18,400	\$18,400	\$18,400	\$18,400	\$18,400	\$18,400	\$18,400	\$18,400
\$4,566	\$4,412	\$4,643	\$10,457	\$10,072	\$10,303	CASHFLOW	\$17,708	\$9,212	\$9,572	\$19,130	\$14,018	\$14,090	\$22,676	\$17,492	\$22,676	\$17,492	\$22,676	\$22,676

1050	1200	1350	1500	1500	1500	265200	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
1050	1200	1350	1500	1500	1500		1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
1200	1350	1500	1500	1500	1800		2100	2500	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000
2250	2250	2250	2250	2250	2250		2250	2250	2250	2250	2250	2250	2250	2250	2250	2250	2250	2250
1050	1050	1050	1400	1400	1400		1750	1750	1750	2625	2625	2625	3500	3500	3500	3500	3500	3500
1050	1050	1050	1400	1400	1400		1750	1750	1750	2625	2625	2625	3500	3500	3500	3500	3500	3500
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500	500	500	500	500	500		1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
500	500	500	500	500	500		1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
500	0	0	500	0	0		500	500	500	500	500	500	500	500	500	500	500	500
100	100	100	250	250	250		500	500	500	500	500	500	500	500	500	500	500	500
50	50	50	100	100	100		150	150	150	200	200	200	200	200	200	200	200	200
100	100	100	250	250	250		500	500	500	500	500	500	500	500	500	500	500	500
1500	1500	1500	2000	2000	2000		2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
300	300	300	400	400	400		500	500	500	700	800	900	1000	1000	1000	1000	1000	1000

3000	3000	3000	3000	3000	3000		3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000
1200	1200	1200	2400	2400	2400		2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400
0	0	0	0	0	0		1200	1200	1200	2400	2400	2400	2400	2400	2400	2400	2400	2400
1200	1200	1200	2400	2400	2400		2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400
0	0	0	0	0	0		7200	0	0	7200	0	0	7200	0	7200	0	7200	7200
200	200	200	200	200	200		200	200	200	200	200	200	200	200	200	200	200	200
0	0	0	0	0	0		5000											
1500	1500	1500	1500	1500	1500		1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
2000	2000	2000	4000	4000	4000		8000	8000	8000	10000	10000	10000	10000	10000	10000	10000	10000	10000
0	0	0	0	0	0		0	0	0	0	0	0	2000	2000	2000	2000	2000	2000



BC Inno-Hub Concept Review



City Council Work Session – August 9, 2021
Meg Beekman, Community Development Director

Background

- June 10, 2019 – Council directed that 3,500 square foot commercial shell be constructed as part of the construction of Municipal Liquor Store #1
- 3,582 foot additional building space (shell)
- \$318,000 total cost of construction
- \$27,000 annual cost (\$318,000 repaid over a 15 – year period)
- Equates to \$7.50 per square foot, prior to common area maintenance (CAM) charges
- City CAM rates are \$3/foot
- Additional finishing costs could fall in the range of \$150k to \$300k (Likely higher now)
- Estimated equivalent leasable space in the range of \$22 to \$28 per square foot



Potential Options for Space

1. No build
2. Build additional space with intention to sell building and property to highest and best bid.
3. Build additional space with intention to sell building and achieve Council priorities (i.e. Resident Economic Stability), but maintain some property rights over future use. The City would retain some ability to have a voice on future use based on criteria of the user(s) and property use.
4. Lease at market rates to highest/best proposal.
5. Lease with intent to achieve specific Council priorities (i.e. Resident Economic Stability), with no operating subsidy assumed.
6. Lease with intent to achieve specific Council priorities (i.e. Resident Economic Stability), with an operating subsidy assumed.



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Options Explored

- Leasing the space to a small business, such as a restaurant, at below market rents - This was examined in partnership with several business resource providers to identify specific potential tenants.
- Establishing a micro-business incubator to support small and emerging entrepreneurs - NEON explored this concept for a time, but have since moved on from it.
- Establishing a business resource hub - Currently proposed by PAADIO Consulting



4

BC Inno-HUB Concept Proposal

- Vision: Create a small business and workforce resource hub to deliver diverse and inclusive programming for economic empowerment and opportunity to fast-track post-pandemic economic recovery & rebuilding.
- Serve residents and businesses by providing a hub for:
 - Technical assistance and training
 - Flexible micro work places, shared working spaces and reception services
 - Pop-up markets and retail sales
 - Matchmaking services between small and large businesses
 - Workforce development training and job pathways



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BC Inno-HUB Concept Proposal

- Paadio is proposing to lease the space from the City and oversee its build-out into a functioning and usable space. As the manager of the BC Inno-Hub, their role would include:
 - Delivering micro business programming and services - technical assistance training
 - Bringing in and managing training and development programming – partner with community and regional organizations, City and private entities
 - Managing pop-up markets and micro-retail opportunities
 - Hosting community collaborative programming and leadership events
 - Creating a leadership space for equitable and inclusive business practice



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BC Inno-HUB Concept Proposal

- Phased launch timeline of 36 months
 - Initial: Build-out, Co-working space rental, Pop-up market place, Micro-business technical assistance and training
 - Secondary: Develop community partnerships to grow resources and programming based on community need
 - Grow into: Workforce development and youth training programming, expand business incubator and accelerator, matchmaking services for small and large businesses
- Business Model to stabilize operations includes:
 - Private equity investment
 - City financial support (EDA and/or ARPA)
 - Philanthropic and corporate support
 - Program revenue



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BC Inno-HUB Concept Proposal

- Budget:
 - Estimated build-out: \$385,000
 - First year start-up costs: \$28,000
 - Annual operating costs: \$146,640
- Paadio is seeking to raise \$500,000 to initiate project
- Requesting the City enter into an MOU – indicating City's support and use of resources to support fundraising and program development efforts
 - Similar to PDA – provides rights to the property and time to complete feasibility and raise funds
 - May include other terms if project moves forward: rent waiver, use of EDA funds to continue feasibility and fund raising efforts



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BC Inno-HUB Concept Proposal

Presentation by Paadio Consulting



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Policy Issues

1. What questions does the Council have about this concept proposal?
2. Is the City Council supportive of entering into a MOU with Paadio Consulting to indicate the City's support of the project and provide resources to support fundraising and program development efforts?
3. Are there any concerns the City Council has, that should be explored or considered as part of the due diligence for this project?



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Council/EDA Work Session

DATE: 8/9/2021

TO: City Council

FROM: Dr. Reggie Edwards, Acting City Manager

THROUGH: N/A

BY: Dr. Reginald Edwards, Acting City Manager

SUBJECT: Pending Items

Requested Council Action:

- Earle Brown Name Change for Public Property
- Council Policy for City Charter requirement of Mayor's signature on all contracts
- Strategic Plans for years 2018-2020 and 2021-2023
- Review Special Assessment Policy
- Tobacco Ordinance
- Emerald Ash Boer Policy Review
- Civilian Discipline Review Committee
- Community-Wide Survey
- Attorney RFP Process

Background:

Budget Issues:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values: