

## **Request for Proposals for Manufacturing Incubator**

July 1, 2015

### **Background**

The City of Seattle's Office of Economic Development ("OED") is committed to creating a vibrant economy which benefits the whole city by promoting access to economic opportunities for all of Seattle's diverse communities. OED works to maximize Seattle's potential as a thriving hub for businesses, jobs, robust neighborhoods and economic opportunity for everyone in our city. As part of this, OED's approach includes a focus on supporting the city's entrepreneurs and identifying innovative ways of supporting their development.

The objectives of this RFP are to 1) identify, catalyze or provide incentive for incubator projects that will benefit manufacturing businesses, 2) reduce costs and create affordable space for new and existing small manufacturers allowing them to grow and collaborate, and 3) retain and create new employment in the manufacturing sector. \$100,000 of funds is available to recipients that meet the qualifications of this RFP.

Seattle's Manufacturing sector is a vital contributor to the city's economy and in itself, represents a wide range of sub sectors including maritime, industrial machinery and fabricated metal, aerospace, printing and publishing, stone, clay, glass and concrete products, home and office furnishings, food and beverage production, construction, and transportation and wholesale distribution. OED actively participates and partners with local manufacturing groups to promote this sector through the support of businesses development and retention and expansion of these diverse businesses.

OED sees the need to broaden the support of this sector by providing \$100,000 towards the development of a Manufacturing Incubator. The basic concept of this incubator consists of the development of a site that benefits multiple emerging or expanding manufacturing businesses. The development of this type of space promotes a shared cost approach which decreases the cost of entry for small business and cultivates job growth; critical in a sector where land and building space are expensive or increasingly scarce; and equipment and infrastructure investment may be cost prohibitive. Unlike other sectors, manufacturing businesses have more complex, and often more expensive space, infrastructure and equipment needs, making it difficult for small businesses in this sector to take root. These funds can help emerging and expanding manufacturing businesses overcome these cost barriers, establish themselves and contribute to job growth.

Additionally these funds can be critical for cultivating an environment supportive of entrepreneurial development. A key outcome of this RFP is the creation of an incubator that consists of co-located, intentionally selected tenants with the goal of encouraging the manufacturing of complimentary goods, networking, sharing of information and mentoring. These types of local connections are important for small business development because entrepreneurs in the same business environment are the best resources for starting and expanding their businesses; and because entrepreneurs need to interact with each other frequently and on an ad-hoc basis to navigate the ongoing challenges of business

development. Given the barriers described above, it can be difficult for incubators with an emphasis on collaboration to organically come together. These funds can be critical for identifying and promoting such innovative projects.

In summary, these funds can be a key resource, providing support to emerging and expanding manufacturing businesses to help them overcome cost barriers and creating a collaborative environment where they can become established, all of which contribute to a greater and more vibrant Seattle economy.

### **Investment Priorities**

The \$100,000 will be invested to achieve the following priorities:

- Development of one to three industrial incubator project(s) or similar project(s) located in the City of Seattle that can demonstrate direct benefits to multiple early stage manufacturing businesses.
- Project owner reduces the cost of entry of early stage industrial/manufacturing businesses in ways such as but not limited to purchasing equipment or infrastructure that can be shared among business tenants, covering the cost of tenant improvements, or offering below market rents.
- Investment will be matched by property owner funds on an at least one to one basis.
- Investment will be structured as a loan to the property owner with all principal and interest payments deferred unless the property is sold. Disbursements will be tied to achieving development and/or lease-up milestones which will be determined on a project by project basis.
- Priority will be given to projects that co-locate multiple tenants with complementary services/products, and create a collaborative environment that encourages networking and shared skill development.
- Priority will be given to projects that offer leases to the types of businesses with a high demand for incubator space.
- Priority will be given to projects that will make best efforts to reach out to women and minority owned businesses.

### **Desired Outcomes**

The purpose of this RFP is to achieve the following objectives:

- Decrease cost barriers for emerging and expanding businesses in the manufacturing sector.
- Create an environment supportive of entrepreneurial development which encourages networking and collaboration amongst emerging and expanding businesses that are similar or complimentary to each other.
- Retain and expand of the number and diversity of successful businesses in Seattle's manufacturing sector, including the production of retail and wholesale goods and value added food and drink products.

Post-completion, the recipient will be required to track the following measurable outcomes and provide an annual report that will include but not be limited to the following:

- number of jobs created and/or retained in the City of Seattle;
- increased/decreased annual revenues for businesses located in incubator spaces;
- number of businesses that leased incubator space and their length of business tenancy;
- number of businesses retained in the City of Seattle.

## **Proposal**

Please address the following items in your proposal:

1. Describe your project proposal. Please include total development budget, operating budget, development schedule, financing sources, including owner match.
2. Describe the status of your project.
3. Describe your capacity to develop your proposal, submit draw requests and provide reporting as outlined in this RFP.
4. Describe specifically how the funds would be utilized to benefit tenants, including investment in the building, shared equipment, common areas, other infrastructure improvements etc.
5. Please describe any long term plans or phased improvements for the project.
6. Describe the overall demand for the type of space that is being developed.
7. Describe profiles of preferred or interested tenants.
8. Describe any actual tenants that have been selected for the incubator.
9. Describe how you would do outreach to and incorporate women or minority owned businesses.
10. Describe any collaborative or complementary qualities of the tenant mix.
11. Describe your strategy to provide technical assistance to the tenants.
12. Describe your strategy to grow and retain the businesses in the City of Seattle.
13. Describe your method on tracking measurable outcomes.

## **Reporting Requirements**

- Prior to disbursement, recipient will be required to submit balanced sources and uses budget that confirms commitment of all funding sources including match funds.
- During construction, recipient will provide ongoing progress reports.
- Post-completion, recipient will be required to track the following measurable outcomes that will include but not be limited to the following: resulting jobs, business revenue and number of businesses.

## **Application, Submission, and Selection process**

We will provide two question/answer sessions to assist potential applicants in preparing their submissions. This will provide the opportunity for applicants to ask any questions regarding project criteria and the RFP process. Those sessions will be July 22<sup>nd</sup> and August 19<sup>th</sup>, 10-11am at the City of Seattle Office of Economic Development, located at the address below.

Hardcopy or electronic submissions must be delivered by 4:00 p.m. on September 4, 2015 to:

AJ Cari  
City of Seattle  
Office of Economic Development  
700 Fifth Avenue, Suite 5752  
Seattle WA 98104 (hardcopy hand delivery and fedex)

AJ Cari  
City of Seattle  
Office of Economic Development  
P.O. Box 94708  
Seattle, WA 98124-4708 (hardcopy US mail)  
[aj.cari@seattle.gov](mailto:aj.cari@seattle.gov) (electronic)

A Selection Committee will review responses, conduct interviews and select recipient(s) of the investment. You will be notified if you have been selected for an interview. The City of Seattle retains the right to reject any responses and is not required to award any funds if in its opinion the response failed to meet its requirements.

If you have any questions about this Request please contact AJ Cari, City of Seattle's Office of Economic Development, (206) 684-0133 or [aj.cari@seattle.gov](mailto:aj.cari@seattle.gov).