

Program Update

December 2015

Executive Summary

This document provides an overview of the current Economic Development Innovation Initiative (EDI2) program and its accomplishments, as well as, an overview of a refined EDI2 program to continue the support of the technology and innovation start-up ecosystem. The new program is built from experience over the past two years, along with engagement, observation and identification of areas of opportunity for the County to play a meaningful and appropriate role in strengthening the ecosystem.

The Economic Development Innovation Initiative (EDI2) program was designed to build capacity across the ecosystem to enable many partners that address the needs of the technology and innovation start-up community. The County was the “glue” to build a more cohesive innovation community while it developed and matured. Built around three strategic areas of focus: sponsorship, advocacy and non-profit service provider support, for the past two years, the program has supported more than 25 organizations, supported the creation of more than 650 jobs by 165 companies attracting more than \$12.5 million in private capital investment. The program also has had more than 29,000 points of impact in the community through nearly 500 workshops, meet-ups, lectures, trainings and other events.

Progress has been a team effort made by many in the technology and start-up ecosystem. Raising the awareness of technology and innovation start-ups; building support infrastructure such as incubators and co-working spaces in the community; and introducing new events attracting national attention and talent are community-driven accomplishments for the past two years. As the EDI2 program nears its sunset date, staff proposes to not let off the accelerator and to continue the momentum with a refined EDI2 program that will drive actions and transform how entrepreneurs are supported. The purpose of the refined EDI2 program is to grow technology and innovation start-ups, jobs and private investment in Hillsborough County through the strengthening of services and resources such as mentors, access to capital, collaboration of entities, commercialization of research and advocacy that directly support entrepreneurs. No new funds, during the FY16 or FY17 budget period, are required to continue the program.

Background

Beginning in mid-2012, the local technology and innovation start-up community expressed a desire for greater support from the County and recognition for economic contributions. Through a series of conversations throughout the community, staff identified several key areas where the County could play a role in strengthening the technology and innovation start-up ecosystem. Greater engagement in start-up support programs was also consistent with economic development objectives to diversify strategies and grow companies and jobs locally, as well as attract and retain talented workers.

On March 20, 2013, the BOCC approved the Economic Development Innovation Initiative (EDI2) program to drive the growth of technology and innovation start-ups and small businesses. On June 5, 2013, the BOCC approved the companion policy which governed the applications for grant funds for event sponsorships, industry promotion, incubators, accelerators and direct service provider support; and approved the form award agreement for grant recipients. Since this time, the Economic Development staff has implemented the policy and administered the program, which is scheduled to sunset on September 30, 2015.

Current Program

The current EDI2 program was designed to build capacity across the ecosystem to enable many partners that address the needs of the technology and innovation start-up community. The County was the “glue” to build a more cohesive innovation community, primarily through awareness and promotion, while it developed and matured.

Objectives

- Increase recognition of the technology and innovation assets in the community and increased competitive positioning for attracting and retaining technology and innovation professionals, entrepreneurs and investors
- Build the capacity of the local ecosystem of technical assistance resources, mentors, co-working locations, accelerators and incubators that are targeted for the unique needs of technology companies
- Drive multiple opportunities and events for peer-to-peer connections to power innovation
- Grow technology companies through increased survival rates, access to capital and connections to customers
- Facilitate collaboration among existing organizations and resources available to assist entrepreneurs and start-ups and be a clearinghouse for them to navigate the resources available

Program Focus Areas

- Sponsorship of events to increase awareness, attract new talent and provide networking opportunities; and industry promotion activities
- Align county resources to be an advocate for the start-up community, facilitate coordination of existing organizations and industry resources, participate in ecosystem organizations; and support research efforts to provide on-going commitment to successful implementation of the EDI2 program
- Support to non-profits engaged in incubation, accelerating, mentoring and networking to strengthen the technology and innovation ecosystem and leverage private sector resources and support

Grant Process

The original program had an Advisory Committee, appointed by the County Administrator, to review applications for EDI2 grant funding greater than \$5,000. In addition, they served as a sounding board as staff works to be an advocate for the start-up community, facilitate the coordination of existing organizations and industry resources, participate in ecosystem organizations and support research efforts. The Advisory Committee met three times a year and provided a forum for evaluating and processing the many applications for funding so they are handled in a fair, open and equitable manner. All applications, minutes and agendas were posted on the Economic Development Department's website. The EDI2 policy outlined review criteria, eligibility requirements, documentation requirements and funding limits associated with the formal application process. The recommendations of the Advisory Committee were then presented by staff to the County Administrator for consideration.

Accomplishments

Since the program's creation, the program has supported more than 25 organizations, supported the creation of 650 jobs by 165 companies attracting more than \$12.5 million in private capital investment. The program has also had 29,000 points of impact in the community through nearly 500 workshops, meet-ups, lectures, trainings and other events.

Sample of organizations and events supported include:

- Tampa Bay WaVE
 - o FirstWaVE Tech Venture Center and FirstWaVE Accelerator
- USF Research Foundation
 - o USF CONNECT Tampa Bay Technology Incubator (TBTI)
- East Tampa Business and Civic Association
 - o MLK Technology Business Expo, 2014 and 2015
- Learning is for Everyone
 - o Robocon Tampa Bay, 2013
- Moffitt Cancer Center
 - o Business of Biotech, 2014 and 2015
- Start-up Bus Tampa Bay
- Tampa Bay Technology Forum
 - o The Engine Network
 - o Tech Trek
 - o The Entrepreneur Network
 - o Destination Trek: Fair and Networking
- Technova
 - o Ignite Tampa Bay, 2014
 - o BarCamp, 2013 and 2014
- HCC Veteran's Entrepreneurial Symposium, 2013 and 2014
- Start-up Grind Tampa Bay
- Computer Mentors Group
 - o Teen Business Challenge
 - o STEM Pathways, 2015
- Startup Weekend Tampa Bay
- University of Tampa



- Southeastern Entrepreneurship Conference, 2014
- U.S. Association of Small Business and Entrepreneurship, 2014
- TiE Tampa Bay
 - TiE Angel Forum
 - TiE Breaker III
- Gasparilla Interactive Festival
- Eureka Factory
 - Gulf Coast MakerCon, 2015
 - Roboticon Tampa Bay, 2014
 - Hack Tampa Bay, 2015
- Healthbox Investor Day
- Silicon Glades - AlligatorZone
- Chase Start-up Week, 2015

In addition to these efforts, staff has engaged in the ecosystem through the facilitation and creation of new events and engagement opportunities such as:

- Entrepreneurial Collaborative Center (ECC) in Ybor, a hub to build capacity within the entrepreneurial ecosystem and leverage resources between the County and community partners who offer entrepreneur assistance.
- Homebrew Hillsborough Local Area Networking, a monthly event held in different locations around the county;
- Hillsborough County Women in Tech 2015, a day-long event advocating for women in technology and providing mentoring and training to young women; and
- Hillsborough Hack-a-thon (Code for Hillsborough) 2013, 2014 and 2015, a weekend-long event to encourage civic coding so technologists can lend their time and talents to civic needs.

Staff has also represented the County's commitment to supporting the technology and innovation start-up community through various media interviews, press releases, events and promotional efforts.

Refined EDI2 Program for FY16 and FY17

The refined EDI2 program proposed for FY16 and FY17 builds on the success and spirit of the original EDI2 program. Creating a vibrant technology and innovation start-up ecosystem is still the primary goal of EDI2. The refined program will pivot from its initial effort aimed at raising awareness, promoting the ecosystem and promoting educational opportunities, to a program-oriented framework better enabling how entrepreneurs to achieve success. Within the refined EDI2 program there are stronger outcome metrics and an alignment of the program with other County initiatives such as the Entrepreneur Collaborative Center, Innovation District initiative and the Battelle biosciences Action Plan. The evolved program will encompass the needs of all innovative entrepreneurs and support commercialization of institutional research. There is also an emphasis on high-quality mentorship and support, as well as access to capital. Efforts targeted to support minorities and women grow their technology and innovation start-ups will be given special consideration. While very important to the ecosystem, the refined program will not be used to support K-12 STEM education activities or other activities that are tangential to creating a vibrant technology and innovation start-up ecosystem. All efforts must be deliberate, specific, measureable and tied to one or more of the program objectives.

Purpose

The purpose of the refined EDI2 program is to grow technology and innovation start-ups, jobs and private investment in Hillsborough County through the strengthening of services and resources that directly support entrepreneurs.

Objectives

1. Increase connections to high quality mentors and support
2. Enhance access to capital for technology and innovation start-up entrepreneurs
3. Facilitate collaboration among existing resources and be a clearinghouse for entrepreneurs
4. Support the commercialization of institutional research
5. Align county resources to be an “advocate-in-chief”, participating in ecosystem organizations, and supporting research, educational and business development efforts

Mentors and Support

Increasing connections to high quality mentors and other support structures (peers, specialized professionals, consultants, educators, etc.) can help drive Hillsborough County’s start-ups to their next level of success. Partnerships with entities such as USF Research Foundation’s USF CONNECT Tampa Bay Technology Incubator (TBTI), Tampa Bay WaVE’s First WaVE Tech Venture Center and Accelerator, the University of Tampa’s Entrepreneurship Program, Hillsborough Community College Entrepreneurship Program, the Innovation Alliance and others can develop a corps of mentors from the private sector to vet ideas, discuss problems and find solutions in a structured fashion. Leveraging existing formalized mentor programs, as well as creating new connections to mentors and support, will assist entrepreneurs to overcome early-stage hurdles to business growth. Corporate mentoring and support for start-ups through an engagement program is another opportunity that can be further developed. The EDI2 program can continue to support existing programs, addressing the needs of companies in incubation and accelerator

environments and helping identify the unmet needs. Staff can also work with partners to create new opportunities such as an Entrepreneur-in-Residence at the Entrepreneur Collaborative Center (ECC.)

Access to Capital

The entrepreneurial community has identified increased capital connections as a great need and an impediment to growth. There are positive developments relative to capital access such as local incubator companies attracting more than \$12.5 million in private capital, as well as, angel investors and other groups of investors becoming aware of what the community has to offer, but there is a great deal more that can be done to attract capital to Hillsborough County start-ups. Engaging local business and community leaders in the startup community and raising awareness of investment opportunities that will drive company growth, and could lead to investments and potentially coalesce into a pooled local venture fund. There are programs that can be more widely-applied to local companies such as the Florida High Tech Corridor Matching Grant Program to leverage academic partnerships to develop commercially applicable emerging technologies; the USF Research Foundation's Seed Capital Accelerator Program for Tampa Bay Technology Incubator (TBTI) affiliated companies to support and provide funds to new and existing TBTI affiliated startups that were formed based on the licensing of USF technologies; the Florida Opportunity Fund which provides equity investments and convertible debt instruments to emerging Florida companies with perceived long-term growth potential; and the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs which provide seed and early stage funding for proof of concept, development, and commercialization of innovative products and services. Companies working from the USF TBTI may utilize the Florida Institute for the Commercialization of Public Research's programs to provide seed and early stage funding to startups leveraging public research.

Collaboration

A healthy ecosystem needs innovators, entrepreneurs, academics, mentors, researchers, supporters, organizational leadership, investors and government leadership all working together to drive company formation, job creation and investment through innovative start-ups. The Hillsborough County start-up ecosystem can evolve into a collaborative environment where, instead of one-off events and actions, there is an investment in and commitment to a programmatic action plan to increase outcomes. There are many assets throughout the County, and several entities have mapped these connections, but there can always be more done to "lean in the same direction" and support each other. The County is in an excellent position to facilitate collaboration amongst the many community partners and strengthen the network of service providers. The County can also serve as a clearinghouse of information and resources for entrepreneurs, raising awareness and increasing engagement across the spectrum.

Commercialization of Institutional Research

Many communities successfully capitalize on institutional research to grow innovative start-ups. With so many strong academic and institutional research entities in Hillsborough County, there is an enormous potential to transform innovations into companies. The Battelle Technology Partnership Practice has been retained by the County to provide an action plan for building a strong biosciences cluster and develop the Innovation Alliance District founded on strong partnerships with the University of South Florida and other research entities in the area such as Moffitt Cancer Research, M2Gen, Florida Hospital and VA Medical Center. Initial findings indicate that there are great opportunities to strengthen collaboration amongst the university, institutions and local biosciences companies to drive innovations and start-up growth throughout the County. Growth services for emerging life sciences companies that can promote industry and academic innovation collaborations is critical to driving commercialization of research and ultimately new companies, jobs and capital investment. There are also opportunities to leverage the County's redevelopment and competitive sites programs to increase commercialization by attracting private sector investment, supporting the development of specialized laboratory space, and clustering new biosciences companies and talent in the Innovation District.

"Advocate-in-Chief"

The County has been an active and assertive advocate for the start-up community. While this role will continue, actions will be refined to be consistent with the evolved EDI2 program. The County can use its resources to focus the community conversation towards technology and innovation start-ups, collaboration, access to capital, commercialization of institutional research, mentoring and support structures. Continuing to be visible within the ecosystem, participating in ecosystem organizations, supporting research efforts and providing on-going commitment to successful implementation of the EDI2 program are all ways that the County can continue to advance its role as "Advocate-in-Chief." The County can also be an advocate to encourage initiatives that are inclusive and engage minorities and women in the ecosystem, to support educational programs to engage the County's youth in entrepreneurial and technology pursuits, and to bridge the "Digital Divide."

Role of the County

No community's ecosystem has been transformed by government alone. However, consistent with the program's objective to align county resources to be an "advocate-in-chief" for start-ups, the County is a connector, convener and collaborator. With committed leadership from the County, most actions will be carried out by contractual partners and other collaborative partners. These partners have the existing infrastructure, talent and relationships to meet the needs of start-ups. Relationships between the County and its partners are not transactional, they are meaningful and outcome-based. The County will engage with private and non-profit partners when the action supports one of the five EDI2 program objectives.

Use of Resources

The refinements to the EDI2 program do not require additional funds to be allocated. There are enough resources remaining from the original EDI2 allocation, approved by the BOCC, to continue the EDI2 program in FY16 and FY17. Staff proposes to allocate \$500,000 in FY16 and \$500,000 in FY17 to the program for the following uses:

1. Support activities in the ecosystem that, based on experience over the last two years, demonstrate merit for connecting entrepreneurs to resources such as capital or mentoring; attracting venture capital, expertise or commercialization of research opportunities; or promoting local entrepreneurs to investors, mentors or customers. (\$100,000 per year)
2. Execute a work program built upon one or more of the refined five program objectives – provide mentorship and support for entrepreneurs, increase access to capital, facilitate collaboration, capitalize on institutional research and advocate for the technology and innovation startup community - which will, in part, solicit through an RFP process, best partners and service providers to accomplish goals. (\$400,000 per year)

The EDI2 Policy, approved by the BOCC will be revised to reflect the proposed enhancements to the program and will be subject to BOCC approval. The policy revision will address the funding of efforts associated with the EDI2 program.