



PROPOSAL TO EVALUATE AND ENHANCE THE CITY OF SAN LUIS BUSINESS INCUBATOR PROGRAM

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Submitted by:

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Cover Letter

Mr. Armando Esparza
Director of Economic Development and Government Affairs
City of San Luis
1090 E. Union Street
San Luis, AZ 85349

Dear Mr. Esparza,

On behalf of HdL Companies, I am pleased to submit our proposal to evaluate the City's Business Incubator Program. With a 40-year track record of providing data-driven insights and actionable strategies to municipalities, HdL is uniquely positioned to support the City in assessing the Business Incubator program's effectiveness and identifying opportunities for growth and sustainability.

Barry Foster, Principal and Managing Director of HdL's ECONsolutions division, will serve as the lead on this project. Barry brings extensive expertise in program evaluation and economic development initiatives, ensuring a thorough and strategic approach to the evaluation process. Should you have any questions or require further information, Barry can be reached directly at 951.233.0414 or email at bfoster@hdlcompanies.com.

We are excited about the opportunity to collaborate with the City and contribute to the success of your Business Incubator Program. Thank you for considering HdL Companies for this important initiative. We look forward to the opportunity to discuss our proposal and next steps at your convenience.

Sincerely,



Andrew Nickerson, President / CEO, HdL Companies
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Proposal to Evaluate and Enhance the City of San Luis Business Incubator Program

Introduction

A well-defined business incubator program serves as a catalyst for economic development by fostering innovation, supporting startups, and creating opportunities for local entrepreneurs. Effective incubators provide essential resources, mentorship, and networking opportunities that empower businesses to succeed, ensuring higher survival rates and sustainable growth. By aligning with community needs and industry best practices, incubator programs contribute to job creation, to diversify the local economy, and to strengthen the economic resilience of the region.

The City of San Luis has expressed a need for a comprehensive evaluation of its business incubator program to ensure sustainability, meet the evolving needs of the community, and maximize its impact. HdL Companies proposes a collaborative approach to assess the current program, provide recommendations, and create an actionable plan to enhance its effectiveness.

This proposal outlines the scope of work, methodology, deliverables, timeline, and budget for the project.

Scope of Work

Our team will evaluate the following aspects of the San Luis Business Incubator program:

1. Current Program Review

- Overview of the incubator's mission, goals, and performance metrics, including results from businesses.
- Evaluation of tenant demographics, current uses, length of stay, and lease rates.
- Analysis of zoning and permitted uses and potential use change of the current facility.
- Examination of program policies, including the graduation period or move-out requirements.

2. Comparative Best Practices

- Benchmarking against similar incubator programs.
- Identifying key success factors, such as tenant selection, mentorship, access to capital and networking.

3. Sustainability and Community Impact

- Assessing financial models and cost recovery strategies.
- Recommendations for diversifying funding and increasing community engagement.

- Evaluating the potential for new program elements, such as potential zoning change and consideration an industrial kitchen for the cottage food industry.
4. **Program Support and Enhancements**
- Recommendations for training, networking, and financing support for tenants.
 - Guidance on integrating local economic priorities and industry needs.
 - Assessing the feasibility of implementing new facilities and services.
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Methodology

Our approach includes the following phases:

Phase 1: Data Collection and Analysis

- **Document Review:** Evaluate existing program including policies, lease agreements and rates, financial data, and program metrics.
- **Stakeholder Engagement:** Conduct virtual interviews with city officials, current tenants, and community stakeholders as directed by staff.
- **Zoning Analysis:** Review current zoning and identify opportunities for flexible or alternative uses.

Phase 2: Comparative Analysis

- Research best practices from successful incubators, focusing on programs in similar communities or industries.
- Identify strategies to attract and retain tenants, enhance program offerings, and build financial sustainability.

Phase 3: Recommendations and Action Plan

- Develop tailored recommendations addressing the City's goals and community needs.
 - Create an implementation plan for program enhancements, including financial modeling, operational improvements, and potential funding sources.
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Deliverables

1. **Summary Report:**
 - Current program evaluation, including tenant demographics, lease structures, and zoning analysis.
 - Identification of strengths, weaknesses, and areas for improvement.
2. **Benchmarking and Best Practices:**
 - Case studies and insights from successful incubator programs.

- Suggested practices for tenant graduation policies, training, and networking support.
 - 3. **Actionable Recommendations:**
 - Detailed plan to enhance program sustainability and impact.
 - Feasibility analysis for potential new facilities (e.g., industrial kitchen for cottage food industry).
 - 4. **Implementation Framework:**
 - Timeline and milestones for adopting proposed changes.
 - Guidance on securing external funding and partnerships.
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Timeline

The project will be completed within **12 weeks** of contract approval, divided into three phases:

- **Weeks 1-4:** Data Collection and Analysis
 - **Weeks 5-8:** Comparative Analysis
 - **Weeks 9-12:** Final Report and Recommendations
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Budget

The total cost for the proposed evaluation and recommendations is **\$28,500**, which includes:

- Professional fees for research, analysis, and reporting.
- All communication with stakeholders conducted remotely.

Optional Travel Costs: If in-person meetings or site visits are required, travel will be billed at an additional rate to be negotiated in advance.

Outcome Goals

Our recommendations will aim to:

- Ensure the program adheres to industry best practices suitable for the San Luis community for incubator management.
- Maintain program sustainability through diversified funding, effective cost management, and efficient operations.
- Enhance the program's viability by aligning its offerings with market demands and tenant needs.

- Meet the City of San Luis' economic development goals by fostering local entrepreneurship, creating jobs, and supporting emerging industries.
 - Support the growth of emerging non-industrial industries such as the cottage food sector by incorporating tailored facilities and training programs.
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Conclusion

HdL Companies is committed to delivering a thorough and actionable evaluation of the San Luis Business Incubator program. By leveraging our expertise in economic development and program analysis, we will provide insights and strategies that empower the City to achieve its goals.

We look forward to collaborating with the City of San Luis to enhance its incubator program and create a lasting impact for local businesses and the community.