



# **SAN LUIS BUSINESS INCUBATOR**

## **TENANT HANDBOOK**

**San Luis Business Incubator**

**415 N. Henry Chavez Court**

**P.O. BOX 1175**

**San Luis, Arizona 85349**

**(928) 627-1627**



# Welcome

Congratulations on becoming part of the San Luis Business Incubator family. We are proud and excited to welcome you.

The City of San Luis Business Incubator is a business initiative that offers a variety of programs and services designed for new and expanding businesses. Beginning with your orientation, the programs and services include business planning, support services, opportunities for networking, and involvement with the business community. The first year is critical and this is the reason why we provide you with an array of programs and services. I invite you to take advantage of the programs and services at your disposal.

The Business Incubator Handbook provides you with the program guidelines and procedures, along with the tenant rights and responsibilities. The City of San Luis, my staff and I pledge ourselves to working with you towards a smooth transition into the Business Incubator family, and an enriched overall business growth experience.

Again, welcome to the San Luis Business Incubator. I look forward to working with you and assisting you with the development of your business. I'm here to serve YOU, so if we can ever be of help to you, please do not hesitate to contact me.

With warmest regards,

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Armando Esparza

Director of Economic Development and Government & Foreign Affairs

## **INTRODUCTION**

The San Luis Business Incubator endeavors to create an environment that supports and nurtures businesses and individuals seeking to create and expand their businesses.

The policies set forth in this Tenant Handbook provide general guidance for Business Incubator staff and tenants and are designed to enable Business Incubator staff to service the tenants so that the tenants will enjoy a high likelihood of success. The City of San Luis deserves the right to modify or change these policies and procedures in order to serve the best interest of the San Luis Business Incubator and our tenants.

## **POLICIES AND PROCEDURES**

### **Business Incubator Hours**

Monday-Friday        8:00 AM to 5:00 PM

Saturday                Closed

Sunday                 Closed

\*Tenants will always have access to their respective areas within the facility. Any tenant open for business on Saturday and/or Sunday, will provide customers with access directly through their respective suite. The Reception area will be closed Saturday and Sunday.

\* Business Incubator will be closed on federal holidays each year. A calendar of these dates is published annually.

### **Security (After Hours and Weekends)**

All doors to the facility are to be kept locked during evening, weekends, and holidays, or when the facility is closed. All entrances to the building should be locked at 5:00 PM each evening. If you are in the building at that time, please make sure that entrance door to your suite is locked. If you enter the building after normal business hours, make sure to relock the door, locking yourself into the building. At all the above noted times, when you leave the facility, make sure that you lock the door behind you. This policy is to protect you, your fellow tenants and your property.

If you have visitors/employees who need to enter the building after normal hours, instruct them to advise you of their anticipated arrival time in order for you to meet them at the entrance door of your suite and relock the door after they are in the building.

The San Luis Business Incubator is equipped with a fire alarm. If you activate the alarm, the alarm sounds directly to the Fire/Police dispatch. If alarm sounds, please evacuate the building immediately.

### **Visitors**

When clients/customers arrive at the business incubator and would like to see you, the office assistant will call and notify you that they are in the waiting area. At your instruction, your clients/customers will either be directed to your office or asked to be seated and wait in the reception area until you come and get them.

## **Weekend/After Hours Emergency**

In case of a medical or fire emergency, please call 911. For other emergencies over the weekend or after hours, you may contact the San Luis Police Department at (928) 341-2420.

## **Prohibited Conduct/Activity**

By becoming a tenant of the San Luis Business Incubator, your conduct will reflect on the business incubator itself, as well as other tenants, and other affiliated organizations. It is your responsibility as a tenant to maintain a standard of behavior that does not disrupt, or somehow cause damage to the reputation of the business incubator, your fellow tenants, or other organizations that are affiliated with the business incubator. You are expected to maintain appropriate behavior and standards at all times. Appropriate dress is required, consistent with a business atmosphere. Inappropriate conduct or actions, or behavior deemed- at the sole discretion of the Economic Development Staff or board- to be damaging to the image or reputation of the business incubator will be cause for immediate termination of all tenant rights and privileges. Inappropriate conduct includes, but is not limited to, filing bankruptcy, or accommodations for the benefit of creditors, breach of the leases or other agreements, charges involving moral turpitude, investigations by law enforcement officials, or any other behavior deemed inappropriate by Economic Development Manager or board. The business incubator reserves the right to conduct a background check on a company, its management, and its employees. To assist the business incubator in being more efficiently, certain rules are required for tenants and visitors using the facilities:

- 1.) No firearms, illegal drugs, explosives, fireworks, alcoholic beverages, flammable, radioactive or potentially contagious/hazardous material will be permitted in or around the facility.
- 2.) If a hazard material is used due to the nature of the business, the tenant must provide to all employees in an accessible manner, Material Safety Data Sheets (MSDS) for those hazardous chemicals in their workplace and supply copies to the Economic Development Manager. This request must be authorized by management.
- 3.) The sidewalks, entrances, and passages or hallway in the common areas of the facility shall not be obstructed by any tenant or used for any purpose other than ingress or egress and for temporary moving routes at times approved by the Economic Development Manager.
- 4.) Toilets, wash basins, and other plumbing fixtures will be used responsibly and for their intended purposes. No coffee grounds, lunch or snacks remains, sweepings, rubbish, rags, paper towels, or other non-intended substances shall be flushed or washed down drains. All damages resulting from any misuse of plumbing fixtures shall be borne by the tenant who-or whose employees, customers, visitors, or invitees- shall have caused the damage. If a tenant is having problems with or sees a broken plumbing fixture, please notify the business incubator staff promptly so it may be corrected.

- 5.) Cooking will only be done in designated suites that have commercial kitchen, but microwave and coffee/tea service rooms will be permitted.
- 6.) No canvassing, general solicitations or distribution of political, religious, or cause literature will be permitted.
- 7.) Tenants can hang photos on walls with designated hangers in their offices; however, no offensive displays of a sexual, political, or other of such nature will be permitted in the facility.
- 8.) In general, tenants may not cause or permit unusual or loud noises and/or odors to be produced in their space if such noises/odors could offend or disturb other occupants of the facility that are unusual to their company production process.
- 9.) Tenants will be provided with one key, duplicate keys are available for a \$3.00 fee. If door locks are to be changed due to misuse or misplacement of key, this will be done by the management at the tenant expense. No replacement of locks should be made without the authorization of the Economic Development Manager. Tenants will provide reasonable cooperation with the business incubator staff. The lack of cooperation will expose the individual and/or business to be removed from the business incubator.
- 10.) Tenants will be responsible for providing supervision of any moving operations that may involve common areas or the facility, and tenants will be liable for any losses and /or damages that result from such activities and/or from their failure to provide such supervision. Moves will be coordinated in advance with the business incubator staff to minimize interference with the other facility activities.
- 11.) The facility shall not be used for lodging or over-night occupancy.
- 12.) All requests for building services or accommodations will be made through the business incubator staff.
- 13.) Although there are no assigned parking spaces, we ask that employees park in the parking lot located on the back of the building. The parking spaces in the front of the building should be left for visitor parking. Handicap parking is available next to the ramp access. Parking is not allowed in the area of the loading dock, unless pick up or deliveries are being done. Vehicles not relating to the business will not be allowed in the parking areas. Violators will be towed away at their expense.
- 14.) No additional security systems will be added without prior written approval of the Economic Development Manager, and any approved security systems will be installed and maintained at the tenants' expense and remove at the tenants' expense upon request of the Economic Development Manager.
- 15.) Smoking is not permitted inside the facility.

## **Phone and Fax Machine**

Business Incubator Phone Number is: (928) 627-1627.

Business Incubator Fax Number is: (928) 627-2166.

\*There will be a charge for long distance use by tenants in the conference room.

\*There is a \$.05 charge for each fax page transmitted or received. In order to assure that everyone is properly charged for their usage of the fax machine, follow the steps below when receiving a fax:

- 1.) When your company receives a fax, please designate your suite number on the receive log next to the copy/fax machine, along with the number of pages received.
- 2.) If you need to receive confidential information, please see the Office Assistant to receive your receipt fax code (RFC).

## **Telephone Answering Service**

When ordering phone service for your business at the business incubator, you will be offered a call-forward option by the local phone company. If you choose to purchase this option, your phones can be forwarded to the office assistant.

The business incubator line, 928-627-1627 which is used as an answering line for the tenants of the facility. There is no charge for this service. When you utilize this service, we will take a message that the tenant can pick upon its return to the office. If we have messages for a tenant at 5:00 PM, Monday-Friday, the Office Assistant will place the messages in your mailbox prior to closing the facility.

## **Internet Access**

Businesses have the following option for internet access:

- Access internet services through the following companies: Time warner, Century link or other providers available in the area.
- The Business Incubator offers Fiber Optic internet services via Century Link; please refer to the rate sheet.

## **Mail**

Your incoming mail should be addressed as follow:

Your Business Name  
San Luis Business Incubator  
415 N. Henry Chavez Court  
P.O. BOX 1175  
San Luis, Arizona 85349

Mail will be pick-up at 10:00 AM and sorted by 11:00 AM. The mail will be placed in your mailbox no later than noon, unless other issues arise. If you received an oversized package, a note will be placed in your mailbox asking you to pick up the package from the Office Assistant.

Outgoing mail should be place in the mail box no later than 2:00 PM to assure that it goes out that same business day.

The office assistant will accept UPS and FedEx delivery on the regular schedule. We will not be responsible for any lost or damage packages delivered to the incubator.

Upon leaving the San Luis Business Incubator, we will accept your mail up to one month, after the one-month period, we will return to sender.

## **General Office Support Services**

General Office Support Services includes typing, filing, record keeping, researching, folding documents, stuffing envelopes, applying labels, printing labels, collating, stapling, and other services as approved by the Economic Development Manager. There is a 15-minute minimum requirement and an \$11.00 per hour fee.

All typing needs should be submitted to the Office Assistant in a legible form. The Office Assistant will give you an approximate completion time. Without prior approval from the Economic Development Manager, General Office Support Services will be done on a first-time, first-served basis. When the Office Assistant finishes the project, he or she will have you sign a General Office Service Support (GOSS) request time sheet. A copy will be made for your records.

## **Copy Machine**

Copy machine is available. There is a charge of \$.02 per single-sided copy, \$.04 for double-sided copies and \$.11 per color copies. Management deserves the right to impose a maximum usage limits.

## **Notary Public**

This service can be provided by the Office Assistant at no charge to the tenant, once management obtains certification.

## **Janitorial Service**

The City of San Luis Maintenance Division will provide janitorial service to the common areas of the Business Incubator. The common areas include Reception, Conference Room, Reception Hallway, and both Restrooms located on the reception's side of the facility. Maintenance will empty the trash in the common areas. Maintenance will vacuum and dust the common areas. The tenant is responsible for removing trash, dusting and vacuuming of your office and warehouse. A vacuum will be available for check out from the Office Assistant. The tenant is responsible for their own cleanup of your industrial area; a commercial dumpster is located behind the building. Each tenant is asked to maintain the facility in a clean and safety area.

For the larger suites (Suite F and Suite G), tenant will be in charge of performing cleanup and maintenance for the Reception, Hallway, and Restroom Areas. Tenant will be in charge of purchasing and stocking their supplies of paper, soap, and seat covers. Management will provide tenant with two keys to be able to open their paper and soap dispensers. Replacement fees will apply if keys are lost or stolen and need to be replaced.

## **Signs**

The Economic Development Manager must approve any sign a tenant wishes to display in the window or other areas of the facility. The City of San Luis sign ordinance will be follow.

## **Insurance**

All San Luis Business Incubator tenants need to obtain and maintain reasonable general liability insurance as required by the Tenant Lease and furnish a Certificate of Insurance as proof of coverage prior to tenancy.

All tenants must also maintain any insurance required by its operations as a matter of law, including workers' compensation.

## **FINANCES**

### **Security Deposit**

Business Incubator tenants are responsible for providing a security deposit equal to the first month's rent of the most recent lease. Security deposits will be return to the tenants upon a final inspection of the premises. If the inspection present damages made by the tenant that are above the normal wear and tear, deductions will be made from the security deposit. If the damages are higher than the security deposit and the tenant refused to pay the balance, the business incubator will send the balance to a collection agency and will pursue collection of the funds.

## **Billing/Payments**

All monthly rents invoices will be mail and email to the tenants.

All additional services in the business incubator will be billed on your monthly invoice by the first week of the following month. The invoice will include all charges broken out by usage. Back-up copies of the charges are available for your records. Should you have any questions concerning your invoice, please contact Economic Development Manager.

## **Payment of Invoices**

Payment of invoices (additional service charges) are due by the 1<sup>st</sup> of each month. Should the 1<sup>st</sup> of the month fall on a Saturday or a Sunday, plans should be made to take care of your payment before that date. The business incubator will allow for a five (5) day grace period. Any payment received after the 5<sup>th</sup> of the month are late and will be consider a violation of the tenant's lease agreement. All late payments are subject to a 5% late fee. All payments are to be made by check or cashier check. The check should be made payable to the City of San Luis Finance Department "Business Incubator" and mail to: P.O. BOX 1170, San Luis, AZ 85349 or deliver at 1090 E. Union Street, San Luis, Arizona 85349. Please include your suite number in the memo section of your check.

Should a check be rejected due to insufficient funds, you will need to make arrangement to pay your rent immediately. After two checks are rejected by the bank, we will only accept cashier check. After 12 months of paying on time, we will accept checks and follow the same procedure.

## **Monthly Rental Payment**

In accordance with your lease, the monthly rent is due and payable on the 1<sup>st</sup> day of the month. (Please see above note on failure to make payment)

### **Rental Rates**

1 <sup>st</sup> year:	\$0.39	per square foot per month
2 <sup>nd</sup> year:	\$0.44	per square foot per month
3 <sup>rd</sup> year:	\$0.50	per square foot per month
4 <sup>th</sup> year:	\$0.575	per square foot per month
5 <sup>th</sup> year:	\$0.65	per square foot per month
6 <sup>th</sup> year:	\$0.75	per square foot per month

## **BUILDING GUIDELINESS**

### **Conference Room**

The San Luis Business Incubator conference room is available during business hours. Reservations need to be made with the Office Assistant. The space is available on a first-come, first-serve basis. Please leave the reserved room as you found it. Return all furniture to its original location. No food or drinks are allowed in the conference room. Tenants will be responsible to oversee the conference room area and will pay for all damages incurred by the tenants, customers or invitees.

After utilizing any and all equipment in the conference room for a period of four (4) hours per week, tenants will be responsible for an additional charge of \$10.00 per hour or any part thereof.

### **Office Access**

If a tenant is locked out of his or her office or conference rooms that have been reserved after 5:00 PM, or on the weekend, the tenant will be charged a fee of \$11.00 for access to their office, plus mileage at the standard internal revenue service rate of the person who has to come in to unlock the door (s) of the rooms needed.

### **Resource Materials**

The San Luis Business Incubator has subscriptions to magazines and publications which may be of interest and help the tenant in your business. You are welcome to check out any of these resources, but cannot be kept for more than 3 day. Please speak to the Office Assistant to check out a material.

### **Rules**

- 1.) The temperature of the common area will be kept at 77 degrees in the summer and 75 degrees in the winter.
- 2.) Space heaters are not permitted in the office or industrial areas for safety reasons.
- 3.) Plants are permitted in your office area only if a water tray is used under the plant. Please do not hang plants from the ceiling or ductworks.
- 4.) The facility common areas are for everyone use and enjoyment. Please keep these areas looking their best by picking up after yourselves.
- 5.) If you are the last to leave the building after normal business hours, please make sure that the hallways lights and lights in the common areas are turned off.
- 6.) Please make sure the entry door for your office is securely locked behind you.
- 7.) Photos and wall hangings are permitted in your office area. Excessive damage to walls may cause a reduction in the amount of your security deposit returned to you at the end of your lease.
- 8.) Nothing is to be taped on any glass, wood, metal, or wall surfaces.
- 9.) Vinyl Cling signs or lettering can be added to your office suite window. The entire cost of the placement and removal of a sign is your responsibility.

- 10.) The San Luis Business Incubator is a smoke free facility. No smoking is allowed inside the building. Smokers must dispose of all waste in an appropriate receptacle.
- 11.) Tenant may not alter the premises in any manner without the Economic Development Manager prior written consent. Alterations include, but not limited to, moving of walls, ceiling, doors, installation of other unauthorized equipment, or any other alterations that will change the aspect of the building.

### **Inspections**

The business incubator staff may enter the premises with a 24 hours advance notice to the tenant in order to inspect the premises. If the business incubator deems any repair necessary for which the tenant is responsible, the Economic Development Manager may demand that the tenant perform the repair by sending a written notice. If the tenant refuses or neglects to make the repair in a reasonable time (no more than 30 days), the business incubator may make the repairs and charge the tenant in accordance with the lease agreement. The business incubator shall give reasonable advance notice to a tenant of entering into their facility to make such repairs.

### **Repairs and Alterations**

The business incubator shall, at its own expense, keep the premises in good repair, and will, at the expiration of the lease agreement, leave the premises in like condition as when it was taken, reasonable use and wear thereof and damage by the element excepted. The tenants shall not make any alterations, additions, or improvements to the premises without the Economic Development Manager written consent. A written plan showing proposed alterations must be submitted and approved by the Economic Development Manager prior to any alterations. This submission should address who will perform the work, what is the purpose of the alterations, how jobs or profits will be affected and how the alterations will be paid for. License contractors shall perform any electrical work. All alternations additions and improvements made by either party upon the premises during the term hereof, except movable office furniture and trade fixtures put in the incubator at the tenant expense, shall become the property of the business incubator at the termination of the lease.

### **Floor Loading**

Tenant shall not place a load upon any floor of the Premises which exceeds Live Load Limit on Floor Premises pounds per square foot of dead weight. Landlord reserves the right to prescribe in a reasonable manner the weight and position of all heavy installations or equipment which Tenant wishes to place in the Premises so as to properly distribute the weight thereof. Refer to "Attachment 1 - Structural Calculations Table" for more information.

## **INCUBATOR PROGRAM**

### **Personnel**

The Economic Development Manager manages the business incubator, but delegates the day to day operations to the Office Assistant.

### **Business Plan and Manager Meeting**

All tenants are required to meet with the Economic Development Manager and other affiliated advisors on a period basis to review tenant's progress, or lack thereof, and to assure that: (1) appropriate services are being provided by the business incubator that will allow tenants to progress at a rate consistent with its industry, product/service/etc.; and, (2) business incubator resources are not being squandered on tenants who, for whatever reason, fail to appropriate the value provided.

The Economic Development Manager will meet with each tenant on a regular basis to discuss specific milestones and actions items that are deemed necessary for the tenant's progress. Such meetings include discussion of:

- Financial reports, particularly a cash flow report
- Tenant staff and personnel needs/issues
- Tenant staff training needs
- Product/service development/deployment status
- Tenant marketing and sales goals

On a quarterly basis for the first year, bi-annually for the second year and annually from the third to the fifth year, the Economic Development Manager and mentors will meet with each tenant to discuss the tenants' strategic needs and overall progress. These routine tenant reviews will serve to assess the reasonableness of the expectations and to act as a vehicle for ensuring the purposes of the business incubator and tenant are being met. Topics to be addressed at the tenant reviews include:

- Overall financial status of the company
- Status of tenants' key strategic relationships
- Marketing and sales plans
- Major staff recruiting needs
- Capital needs

### **Mentors/Advisors**

All incubator tenants are required to participate with a mentor/advisor group. We appreciate that the needs of various tenants will not all be the same and that the use of mentor counseling will be less for some and greater for others; however, participation is expected from all tenants.

Mentors are individuals who, by reason of their past or present business experience, desire to support the San Luis Business Incubator. Through their commitment to business development within our community, they wish to freely give of their time and expertise to assist emerging new tenants.

Mentors may be members of the San Luis Business Incubator Board of Directors, City Council, San Luis/Yuma County Chamber of Commerce, AWC Small Business Development Center, PPEP Microbusiness, Yuma Private Industry Council, Greater Yuma Economic Development Corporation, or persons knowledgeable of business practices, as well as other areas and regional professionals. A mentor or mentor group (2 or more) will assist a tenant so that they benefit to the maximum degree from services offered at the incubator.

Furthermore, the mentor(s) will help the incubator tenant seek special services as appropriate, and generally support the new business so that their chance for long term success is improved. Mentors will counsel the new company using their best efforts to answer business and management questions, concerns over financial matters, and technical questions specific to the tenant's interest. This advice is on a voluntary basis and the mentor is not liable in any way for the actions of the tenant. The tenant should meet with the mentors at the manager's and mentoring teams' direction. The tenant should be prepared, if the tenant desires to do so, to share confidential and proprietary information with the mentor(s) as needed to meet the best interest of the tenant. There is no charge to the tenant for this service. Finally, the mentor may join with the member principals, at their request, in periodic progress reviews. The mentor should be seen as an advocate and advisor. Mentors will not be able to solve all problems; however, their time and expertise will hopefully result in great success.

Mentors are charged with assisting new and expanding businesses in key areas such as:

- How to start a business
- Organization
- Marketing
- Competitive analysis
- Finances
- Credit analysis
- Sources of funding
- Business planning
- Supportive documents
- Ongoing critique, support, and suggestions for incremental improvement

There are three phases for mentoring:

- 1.) Pre-incubation
  - a. Screening of potential tenant along with the Economic Development Manager
  - b. Developmental manager/mentoring phase-assist tenants with the submission of the application and other requirements.
- 2.) Incubator
  - a. Ongoing tenant support through review meetings

- b. Assist in revising existing material or creating new material
- 3.) Graduation
- a. Assist the tenant prepare for graduation
  - b. Send the tenant off on their own

### **Marketing/Public Relations Services**

The San Luis Business Incubator established relationships with various local newspapers, magazines, and other media that can be used to highlight tenant activities. Assistance will be provided by the business incubator staff to tenants for working with the media, including preparing press releases. Tenants must allow the Economic Development Manager and other appropriate incubator staff to review and approve any information that references the business incubator, or affiliated organizations, prior to its release to the media.

The business incubator will issue press releases at certain times to publicize a tenant's activities. Among these are:

- Signing of lease agreement
- Significant tenant milestones
- Major sale of products
- Major contract secured
- New products introduced

The business incubator will only release information that has been approved by the tenant, and it is the tenant's responsibility to provide information and approval in a timely fashion. Tenants are encouraged to promote their association with the business incubator; however, the use of the business incubator name and/or logo in any article, advertisement, brochure, or other public release requires prior written approval by the manager.

### **Tenant Staff and Business Development**

The business incubator endeavors to work with affiliated organizations to help tenants get access to education and training in business subjects tailored to the needs of entrepreneurs. Topics such training programs might include business planning and management, business finance, taxation, proposal development, marketing, and other similar business skills subjects.

The business incubator will occasionally sponsor relevant workshops that might include guest lectures, live televised presentations from distance learning sources, videotape presentations, and exercises led by the business incubator staff. Instructional materials will also be provided to attendees in order for them to apply the training received in specific areas of application to their particular business situation.

- A. Consultation. The business incubator will be available for general business development consultation and, to the extent possible, will provide information and insight on business issues, including business planning and marketing.

- B. Grant Proposals-the business incubator, to the extent possible, provide assistance in grant proposal writing for grant programs.
- C. Market Plan Development- the business incubator will, to the extent possible, assist tenants in the development of their marketing plans using market information collected through research or compiled from tenants' records.
- D. Management business plan review-experience counsel is available for development of new business plans, as well as analysis and revision of completed plans. The business incubator staff and associated advisors will provide recommendation in the following areas:
  - Purpose of the business plan
  - Components of the business plan
  - Information-gathering strategies
  - Sources of information
  - Plan outlines
  - Formal financial projections
  - Review of draft of component parts
  - Critique of completed plans
- E. General business counsel. The business incubator, to the extent possible, provide support to the principals of early stage businesses on a variety of topics:
  - a. Growth strategies
  - b. Market identification
  - c. Marketing channels
  - d. Business advisors
  - e. Professional advisors/mentors

### **Termination of Relationship**

Tenant progress through the business program will be tracked and reported according to the levels of maturity as describe above. Tenants will be “certified” to described levels of maturity when, in the judgment of the Manager, in consultation with the members of the advisory council, mentors, and others, as appropriate, a tenant has satisfactory achieved the milestones described herein. Other criteria for progress within the business incubator program may be established by the business incubator from time to time, and will be binding on the tenant’s following being notified of same.

The business incubator retains the absolute right, within the Economic Development Manager discretion, to terminate any agreement, or otherwise end tenants’ relationship with the business incubator for any reason, including, but not limited to:

- Unsatisfactory business review that has not been corrected within a reasonable time (not to exceed 30 days) after written notice by the business incubator;
- Tenant’s failure to pay, when due, any fees or other amount owing to the business incubator;
- Tenants failure to fulfill any requirements or meet any deadlines set forth in the state of goals, milestones that has not been corrected within a reasonable time (not to exceed 30 days) after written notice by the business incubator;
- Material or repeated violation by tenant of the business incubator rules and policies.

The business incubators staff will assist in coordinating services require facilitating the move and other similar administrative tasks. Business incubator staff is not able to provide assistance in moving equipment furniture and fixtures that are the private property of the tenant.

### **Business Incubator Expectations**

The business incubator can provide valuable services to you and your company, but there are certain limitations.

- 1.) The business incubator can assist you in refining your business model by evaluation your business plan yearly and proposing new changes.
- 2.) Assist you in obtaining capital for your business- the business incubator can assist you in referring you to financial institute, grants, but we cannot guarantee you obtain the capital.
- 3.) Help you understand your market and put you together with other agencies that can assist you in focusing in certain markets
- 4.) Networks- the business incubator will help you with putting in touch advisors, staff, service provides, advocates, customers, and friends. Attend the chamber of commerce, industrial park meetings, rotary, business meetings.
- 5.) Help you set realistic milestones and measure your progress. Establish actions plans to reach milestones and measure the tenant programs and make suggestions for further advancement.
- 6.) Help you get training to succeed- business incubator will provide tenants with opportunities to learn the subtleties of entrepreneurship. Individual advice, and group training sessions are all part of the incubator program.

The business Incubator has the following limitations:

1. Fund your start up. The business incubator is not a venture capital fund and we cannot fund your start up or expanding business.
2. Find you funding. The business incubator is designed to help you obtain funding for startup or expanding. We will introduce you to local and regional funding sources, but it will be your responsibility to decide how and where to seek the funding that makes sense to your business.
3. Do your books, write your agreements, recruit your staff, and run your business. If you expect to become a real company, you will eventually have to put in place the basic business processes that keep companies running smoothly.

### **Graduation Policies and Procedures**

The business incubator tenants will be expected to graduate from the business incubator when the following criteria have been met:

- The business has grown and business incubator does not have the space require to fulfill needs

- The business has sufficient sales and profitability have been achieved that will permit the tenant to be successful outside the business incubator
- The business has been a tenant for five years in one of the business incubator suite.

The manager of the business incubator will be responsible for making the determination that these criteria have been met. The manager shall do so by review of the tenant's business records. This determination will rely on the manager's judgment; however, if the records show two years of profitable operation and two years of growing sales, such performance will be considered-on its face- to constitute achievement of the second graduation criteria above.

A tenant's progress toward achieving the graduation objectives will be evaluated quarterly of its admission to the business incubator, and annually thereafter, until either:

- The business has met the aforementioned graduation criteria; or,
- The business has been a tenant of the business incubator for at least five years. If a business has not met graduation criteria within five years, it may be asked to leave to create room for other tenants (this may be negotiable in certain cases).

Once it has determined that

- A tenant should graduate because he/she has met the necessary graduation criteria, or
- A tenant should leave because he/she has been a tenant for five years or more, the manager will set a date for when the tenant will graduate/leave.

This date should be within six months of the determination. If there are existing lease whose terms extend beyond the six-month guideline, the manager will negotiate an early termination of such as lease.

Tenants may be permitted to remain in the business incubator past the graduation/termination date determined above, on a month-to-month basis. The lease rate charged such transitional tenants will be reflective of all the business incubator benefits in addition to market value rent.

Failure by the tenant to provide sufficient information for the manager to determine whether or not graduation criteria have been met shall be deemed grounds for expulsion from the business incubator program.

Note: the practical application of this policy will allow a very successful tenant to stay in the incubator at least five years. The manager is required to evaluate a tenant regularly. An exception would be a case where a tenant becomes extraordinarily successful and adds a significant amount of employees in the first year. The manager could elect at the end of the first year to evaluate the tenant and find that such tenant is ready for graduation.

## **ATTACHMENTS**

### **EXHIBIT 1**

#### **HOLIDAY SCHEDULE**

January 1	New Year's Day
Third Monday in January	Martin Luther King
Third Monday in February	President Day
Last Monday in May	Memorial Day
July 4	Independence Day
First Monday in September	Labor Day
November 11	Veteran Day
Fourth Thursday in November	Thanksgiving Day
Fourth Friday in November	Day after thanksgiving
December 25	Christmas Day

- Time off for these days are set by the City Council. City deserves the right to modify the above holiday schedule. A written notice will be sent to all tenants as the above holiday schedule is modified.

**EXHIBIT 2**

**TENANTS RIGHTS AND RESPONSIBILITIES**

As a tenant of the San Luis Business Incubator, it is important for you to recognize that if you violate the rules described in this Handbook, you can face a variety of consequences as determined by the Economic Development Manager, including being terminated as a tenant. This is in addition to the provisions of the lease agreement. Also, please be aware that this handbook shall not be deemed to give additional rights or privileges to the tenant over those already described in the lease agreement.

The business incubator and its staff will make their best effort to support your business and provide services outlined in your lease agreement. By signing below, you agree that nothing contained in the handbook should be deemed to constitute nor be construed or implied to create the relationship of principal and agent, partnership, joint venture, or any other relationship between tenant and business incubator. In this regard, although each tenant will have benefit of various businesses, financial, technical, shop, and management services afforded by the business incubator, the business incubator will not be liable for the advice, depth, extent, qualify, and/or quantity of such management, financial, business, and/or technical services afforded to tenants through the business incubator. Furthermore, such services, and the people and entities providing them, are merely advisory in nature without binding effect on any tenant. Each business incubator tenant is free to accept or reject such advice and services offered to it; and, each tenant is responsible for all decisions with respect to its own business, and for all consequences of these decisions.

By signing below, I acknowledge that I have received and read a copy of the San Luis Business Incubator Tenant Handbook. It is understood and agreed that upon signing, tenant of \_\_\_\_\_, \_\_\_\_\_ and its employees will abide by the rules and guidelines established in this handbook.

**Print Name:** \_\_\_\_\_ **Signature:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Company:** \_\_\_\_\_

**Print Name:** Jesus Esparza **Signature:** \_\_\_\_\_  
**Title:** Director of Economic Development and Government and Foreign Affairs  
**Company:** City of San Luis

**EXHIBIT 3**

**ACCEPTANCE OF BUILDING KEYS**

I, \_\_\_\_\_ hereby accept the keys to \_\_\_\_\_.

If at any time a duplicate key is needed for any reason, I agree to pay the replacement cost of \$3 per key at the time the request for the key is made to the Economic Development Manager or office assistant. Although a key may be available at the time of the request, please allow two business days for a duplicate key to be provided.

Management accepts to have provided tenant with the following keys:

- Two (2) keys for
- One (1) key for the roll up door
- Two (2) keys for the restroom’s paper and soap dispensers.

**Print Name:** \_\_\_\_\_ **Signature:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Company:** \_\_\_\_\_

**Print Name:** Jesus Armando Esparza **Signature:** \_\_\_\_\_  
**Title:** Director of Economic Development and Government and Foreign Affairs  
**Company:** City of San Luis

## STATEMENT OF TENANTS GOALS AND MILESTONES

This statement of goals and milestones is appended to and made part of the lease between San Luis Business Incubator and tenant.

### **Business Plan**

- A business plan will need to be developed depending on the business and their financial need. At the end of the 1<sup>st</sup> year, each new tenant should have a completed business plan.

### **Marketing and Sales Milestone**

Within 90 days of moving into the Business Incubator, the tenant agrees to provide the Economic Development Manager with:

- Updated, specific sales and marketing milestones; and,
- Updated plans to develop effective sales and marketing staff, sales channels, strategic partnerships, etc.

### **Job Creation**

The business incubator is obligated to create jobs on the following industry standard:

- Job Creation using industry standard
  - 1 employee per 1,000 sq. ft of warehouse/distribution
  - 1 employee per 400 sq. ft. of manufacturing
  - 1 employee per 200 sq. ft. of office space

### **Progress Reviews and Reports:**

The tenant shall reserve time for the formal quarterly review meeting to be done on the following dates:

- Enter of lease; and,
- March, June, September, December.

The annual reports will be done on the following dates:

- July
  - Tenants will be responsible to provide the following information for the CDBG and EDA reporting:
    - Private Investment
    - Jobs created or retain

**Miscellaneous**

Within 30 days of moving into the business Incubator, the tenant will provide the Economic Development Manager with the following business information as applicable to the tenant’s corporate form:

- Statement of Company Ownership;
- State of Current Company Indebtedness;
- Company Articles of Incorporation;
- Company Bylaws or Operation Agreement;
- “Good Standing” Certificate from the state;
- Insurance Certificate
- City Business License; and
- A copy of any voting/shareholder agreement (or other agreements among the owners affecting ownership in the company).

**Print Name:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_


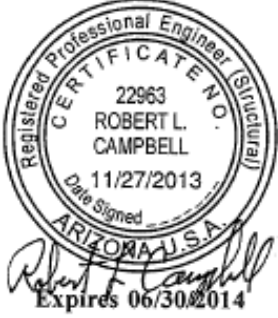
**Company:** \_\_\_\_\_

**Print Name:** Jesus Armando Esparza **Signature:** \_\_\_\_\_

**Title:** Director of Economic Development and Government and Foreign Affairs

**Company:** City of San Luis

**ATTACHMENT 1 – STRUCTURAL CALCULATIONS\***

 <p><b>Robert L. Campbell Structural Engineer, P.C.</b> 200 E. 16<sup>TH</sup> Street, Suite 100 Yuma, AZ 85364</p>	<b>JOB No.:</b> 13125	<b>DATE:</b> 11/27/13	<b>DESIGNED BY:</b> DDD  <b>CHECKED BY:</b> RLC	<b>SHEET 1</b>  <b>OF 35</b>
	<b>CLIENT:</b> Architecture West 1851 W 24 <sup>th</sup> Street Yuma, Arizona 85364			
<b>PROJECT:</b> San Luis Business Incubator 415 Industrial Avenue San Luis, Arizona 85349				

**STRUCTURAL CALCULATIONS**

DESIGN DATA	CODE DATA
<b>CONCRETE</b> ..... $f'_c = 3,000$ psi design strength (Foundation)	<b>Building Code:</b> 2003 I.B.C.  <b>Seismic Criteria:</b> Soil Site Class: D $S_S = 0.946$ $S_1 = 0.322$ $S_{DS} = 0.707$ $S_{D1} = 0.377$ Seismic Design Category D Risk Category II Importance Factor = 1.0 LFRS: "Ordinary Steel Concentrically Braced Frames" $R = 3.25$ $\Omega_o = 2.0$ $C_s = 0.2169$
<b>REINFORCING STEEL</b> ..... ASTM A615, Grade 40 for # 3 and smaller ASTM A615, Grade 60 for # 4 and larger	
<b>BOLTS</b> ..... ASTM F1554 Grade 36 Anchor Rods	
<b>SOIL</b> ..... $F_{soil} = 3,000$ psf at 18" embedment per soils report #013-0154 performed by <i>NEI Geotechnical</i> dated 11/04/2013	
<b>NOTES</b> ..... The foundation design contained herein is based on preliminary reactions provided by representatives of <i>Behlen Mfg. Co.</i> dated 10/30/13 and can be found in the appendix at the end of these calculations. Verification of final sealed metal building reactions will be required.	
	<b>Wind Criteria:</b> 3 second gust $V_{asd} = 90$ mph Exposure: C $GC_{pi} = 0.18$

\*Full Structural Calculations Report available upon request.