

University of Illinois

EDA University Center

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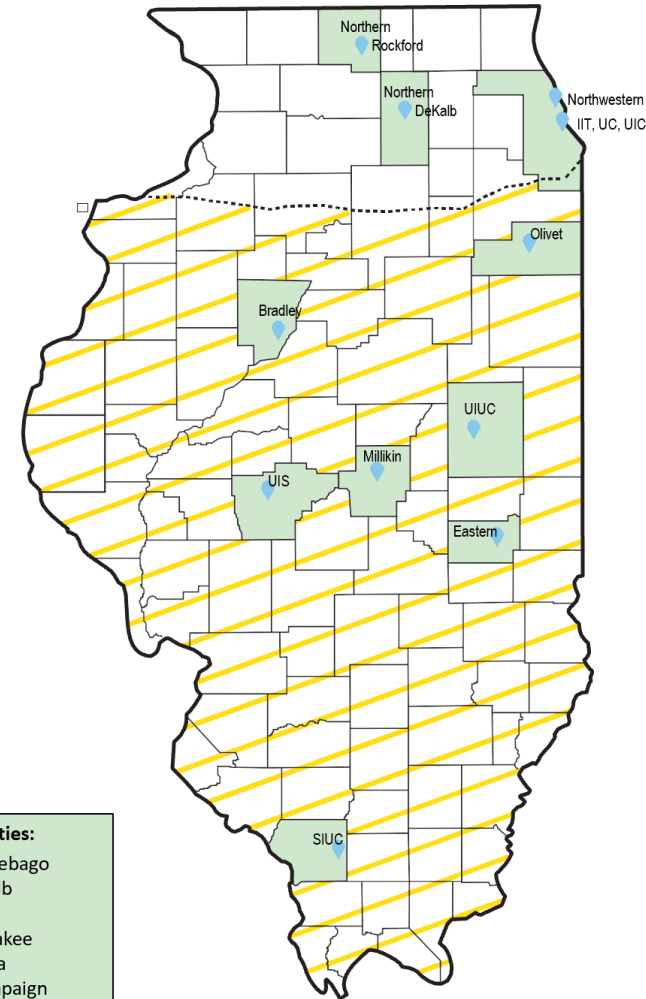


*U.S. Economic Development Administration (EDA) University Center at the
University of Illinois at Urbana-Champaign Research Park & EnterpriseWorks Incubator*

EDA FUNDING REGION

University of Illinois
EDA University Center

Illinois University
Incubator Network



- EAA Counties:**
- Winnebago
 - DeKalb
 - Cook
 - Kankakee
 - Peoria
 - Champaign
 - Macon
 - Sangamon
 - Coles
 - Jackson

Economic Adjustment Assistance Grant (EAA)

EDA University Center Grant



TECHNICAL ASSISTANCE PROGRAMS



SUPPORT AND ADVANCE ILLINOIS ENTREPRENEURSHIP, INNOVATION, AND ECONOMIC DEVELOPMENT

- ▶ Support and assistance for groups within or seeking to join the entrepreneurship ecosystem
 - ▶ Mentorship and resources for development, strategy, organization, programming
- ▶ Support for innovative startups seeking Small Business Innovation Research (SBIR) funding
 - ▶ Experienced SBIR Consultants
 - ▶ Workshops & Application Assistance
- ▶ NSF I-Corps referrals and workshops
- ▶ Free creative and marketing services for startups, entrepreneurs, and small businesses

Support for Incubator Development and Economic Development Strategies

MARC DOUSSARD, ASSISTANT PROFESSOR URBAN AND REGIONAL PLANNING UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

- ▶ His research focuses on equitable economic development at the level of communities, cities, and regions
- ▶ Incubator studies, surveys, and profiles reveal trends that are beneficial to established and emerging incubators
- ▶ Publish and distribute results of studies & profiles
 - ▶ Select Illinois Incubator Profiles (2017)
 - ▶ Incubation in Illinois: An Assessment of the Landscape (2014)



Economic Gardening

- ▶ In our work with the University Center meeting with communities across downstate Illinois, we realized there was a need for incubator and entrepreneurship assistance along with “economic gardening” fundamentals to grow jobs and companies based on community assets and opportunities
- ▶ We worked with Dr. Marc Doussard, to develop strategies to help communities and assess the differing economic potential in downstate IL and incorporate challenges and opportunities we experienced in regional economies
- ▶ Economic gardening strategies seek to build or grow an economy from within as practitioners of practices with policies and place-based assets they can control vs. a relocation model of economic development focused on business attraction, which generates more disappointments than successes

Economic Gardening

An entrepreneurial approach to economic development focused on growing local stage-two companies with external markets



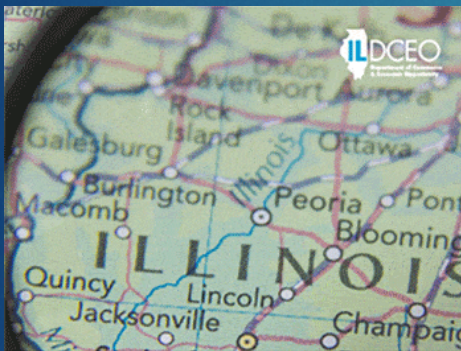
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Entrepreneurship vs. Business Attraction

- ▶ Economic gardening approaches lie within the direct control of communities and entrepreneurship measures cost taxpayers less than most incentive packages and create economic spillovers on supply-chain and community investment.
- ▶ Business incentives – tax breaks, abatements and other kinds of financial assistance to private firms – remain the staple of economic development practice, even as consultants and leaders in the field advocate investment in people and places.
- ▶ Most places with economies that perform below their full capacity cannot afford to give away their few resources. Even if tax breaks succeed in luring a new employer to town, investments in basic capacity in education, infrastructure and public services suffer.



Benchmarking Regional Economies: IL DCEO 2019 Regional Plan for Economic Growth



A Plan to Revitalize the
Illinois Economy
and Build the Workforce
of the Future

- ▶ Illinois Department of Commerce and Economic Opportunity
“Plan to Revitalize the Illinois Economy and Build the Workforce of the Future”



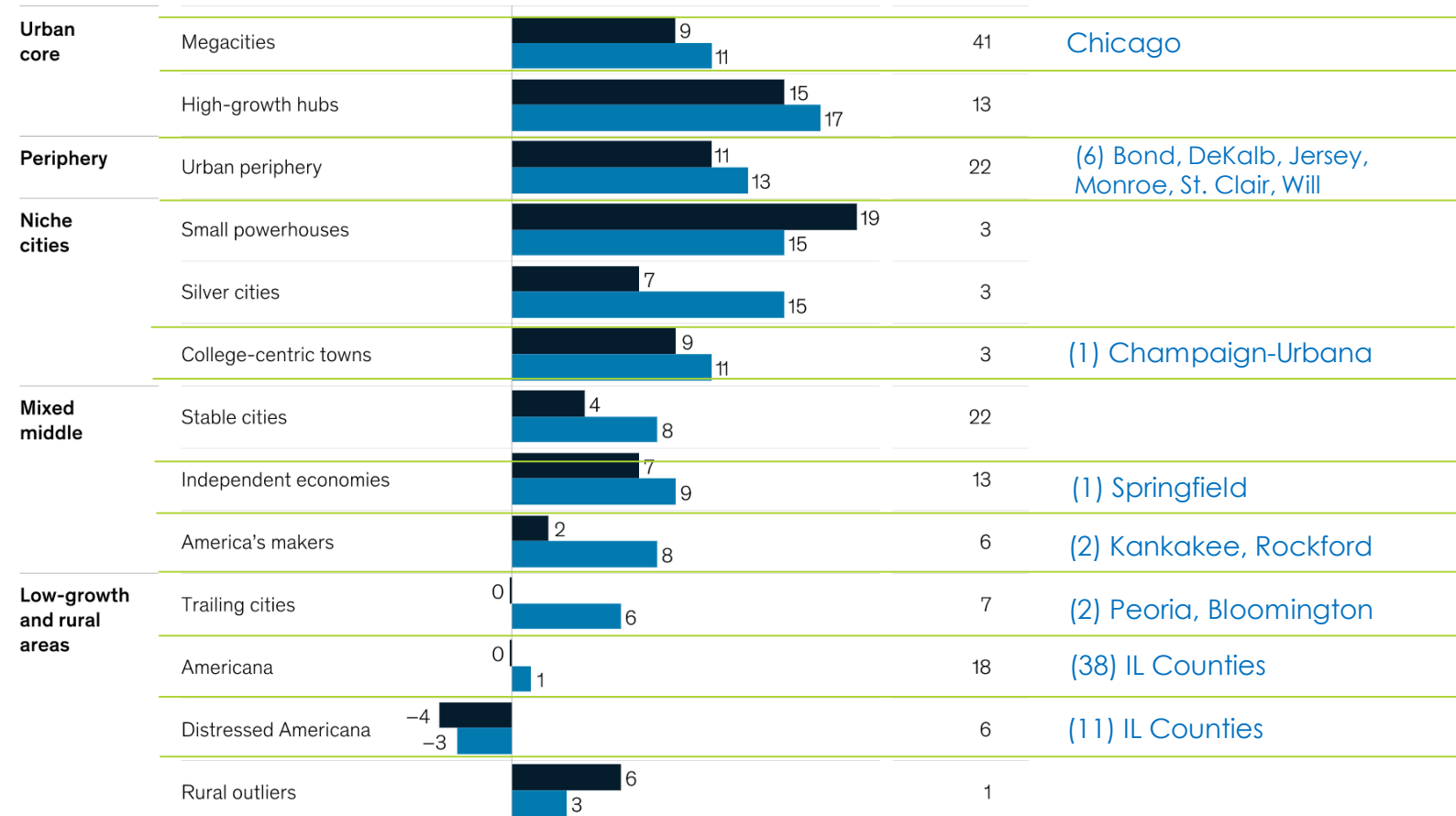
- ▶ Illinois has a diverse and dynamic economy
- ▶ Challenges to Overcome:
 - Outmigration
 - Income inequality in Rural and Downstate IL
 - Indistinct Industry Strengths
 - Lagging Commercialization of R&D
- ▶ Strengths to Build On:
 - Talent: Highly Productive Workforce
 - Top Colleges and Universities
 - Center of Transportation and Trade
 - Abundant Agriculture and Natural Resources

Benchmarking Regional Economies: McKinsey Global Institute. Future of Work in America



- ▶ McKinsey Global Institute “**The Future of Work in America**” divided U.S. Counties outside of very large MSAs into 10 functionally distinctive groups

Net job growth, % ■ 2007–17 ■ 2017–30



Source: Moody's Analytics; McKinsey Global Institute analysis

University Center
characterization of
downstate community
assets for economic
gardening and
entrepreneurship



Four-year College Towns



Headquarters Towns



Health Centers



Agricultural Entrepreneurs



State Capital Innovation



Major Research Universities

- ▶ Most activity is undertaken at the level of counties, cities, special-use districts and even individual organizations, such as schools, universities and hospitals



Four-Year College Towns

- ▶ Four-year colleges offer different assets to communities than do research universities
- ▶ Colleges attract skilled and entrepreneurial faculty, draw in ambitious and accomplished young people, cultural amenities, well-kept neighborhoods, and add quality-of-life assets
- ▶ College students and faculty provide a pool of entrepreneurs and increasingly, four-year colleges recognize the economic potential of supporting entrepreneurship activities.
 - ✓ Incentivize entrepreneurship with intellectual property: transfer intellectual property rights to students
 - ✓ Add entrepreneurship to curricula, designate entrepreneurship as a teaching area for new hired faculty
 - ✓ Students entrepreneurship business competitions with prize money, mentoring, and business support
 - ✓ Establish business incubators for student startup dedicated space, advising, and a location for both university-run ventures and public-private partnerships.
 - ✓ Seed funding for new ventures
 - ✓ Match Degrees and Investment to Regional Industrial Specialization

Four-Year College Towns: Examples

Decatur, IL: Millikin University

Students gain business experience by operating arts-based ventures based in Decatur, including a recording studio, an art gallery, a coffee shop, and a theatre company.



Normal, IL: IL State University

ISU partnered with a private developer to open a 10,000-square-foot incubator off campus, in the growing Uptown neighborhood, PPP project. Low-cost offices, mentors, maker space, and internships.



Greenville, IL: Greenville Univ.

Greenville SMART combines education, entrepreneurs, and community organizations. Turned an empty historic storefront into a startup incubator, restaurant, and educational space.





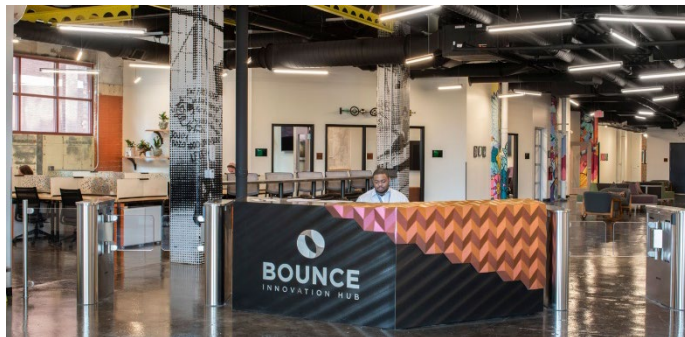
Headquarters Towns

- ▶ Having a large corporate headquarters delivers a stable core of jobs, investment, and talent
 - ▶ Highly paid jobs that cities outside of major metros typically lack
 - ▶ Draw and nurture human capital with advanced degrees and professional skills
 - ▶ Support local suppliers
 - ▶ Employees spin off new businesses
- ▶ Challenges: lack of economic diversity, threat of company re-location i.e. Caterpillar, ADM, and rigid rules that limit innovation and entrepreneurship by employees
- ▶ Strategies for economic gardening in headquarters towns:
 - ✓ Target retirees who have the time and freedom to translate their innovative ideas into new products
 - ✓ Providing space for entrepreneurs to tinker, plan, meet collaborators and house their businesses
 - ✓ Bridge financing funds, revolving loan funds for new businesses
 - ✓ Retraining programs with community colleges to help dislocated workers

Headquarters Transformation Successes

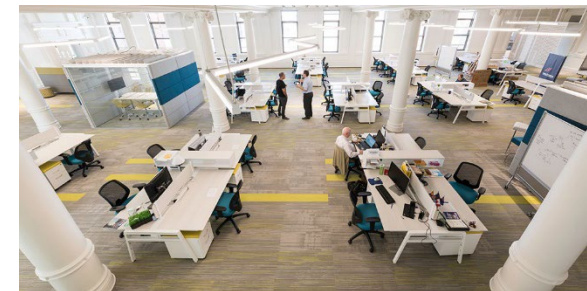
Akron, OH: Bounce Innovation Hub

- ▶ Bounce Innovation Hub was founded in 2018 for NE Ohio innovation. Located in downtown Akron in a former B.F. Goodrich tire plant, the building comprises more than 300,000 square feet of coworking, creative, event and professional office space. With 50 organizations in the building, now has more than 250 people working and creating.



Rochester, NY: Transformation

- ▶ Technological interruptions of digital cameras, scanners, smart phones challenged the city's established large firms, Kodak, Cannon & Xerox. Retraining and support for entrepreneurs have today made Rochester a leader in advanced uses of photonics applications that re-apply the city's old technological expertise to current needs such as medical devices and satellites.





Health Centers

- ▶ Large healthcare systems employ large workforces, draw patients and resources from outside the local economy, and, as populations age, they function as a quality-of-life amenity for people who consider healthcare quality when they decide where to live and work.
- ▶ Specialized medical services and procedures that draw individuals from outside the region, and their staff – from surgeons to physical therapists to medical students – have the potential to develop innovative products and ideas through their work.
- ▶ Economic development strategies to encourage entrepreneurship:
 - ▶ Hospital systems can relax common rules that prohibit employees from working on a start-up
 - ▶ CARES Act funding for hospitals and healthcare organizations, medical innovation for COVID-19
 - ▶ Incubators tailored to medical start-ups: labs, regulatory and reimbursement assistance, clinical trials
 - ▶ Targeted Medical Accelerator programs, such as medical devices, and MedTech development



Health Center: Examples

Peoria Innovation Hub

New 50,000 SF Peoria Innovation Hub brings together OSF Healthcare, the state's largest healthcare system, with the UIC COM-P to support medical-based entrepreneurs. Facilities include makerspaces, classrooms and meeting rooms, and a rooftop greenhouse.



Memphis, TN: Zero-to-510

Memphis' Zero-to-510 accelerator targets medical device start-ups from across the U.S. to link the region's existing specializations in medical manufacturing and biomedical research in order to create a growing sector.



Buffalo-Niagara Med Campus

Not-for-profit coordinating organization for health care delivery, innovation and entrepreneurship for a 120-acre medical campus with a medical innovation center with more than 100 business tenants, specialized facilities, Roswell Park Cancer Institute.





Agricultural Entrepreneurs

- ▶ Rural communities can develop high-value-added products, services and experiences that leverage their land, growers, and producers
- ▶ Agritourism: consumers are increasingly seeking novel, unique or customized goods and experiences at the expense of purchasing mass-produced goods
 - Experiences for visitors to eat, drink and sample locally-sourced foods, beverages and products.
- ▶ Specialty Crops and Products: Specialize in crops, meat, and dairy whose market value commands high profit margins
- ▶ Cannabis and its biproducts became fully legal in Illinois in January 2020, cheap land and existing agricultural resources provide cost advantages to Central and Southern Illinois growers.
- ▶ Agricultural technology in IL production crops and livestock aim to improve yield, efficiency, and profitability with new software, robotics, and automation
 - Proximity to growers as customers and field trial locations as an advantage: corn, soybeans, swine



Agriculture Entrepreneurship: Examples

Agritourism: Shawnee Wine Trail, Southern IL

In 1995, the owners of southern IL wineries recognized the tourism potential of the region. Working with tourism bureaus they created the Shawnee Hills Wine Trail as a destination.



Specialty Crops: Rochelle, Mighty Vines

MightyVine in Rochelle, IL has a 1-million SF hydroponic green house, where it grows tomatoes in 70 degrees inside year-round and harvests 10-12 million lbs. annually.



Cannabis and CBD Products

Many notable growers, including Chicago-based Revolution Enterprises, have invested in large-scale Central IL production, 600K SF of growing space in Delavan, IL.



IL AgTech Accelerator, Champaign

New Illinois AgTech Accelerator is a community partnership with Serra Ventures, Gener8tor, CCEDC, and agribusinesses, to attract tech entrepreneurs for cohort with investments.





State Capital Innovation: Govt. Tech

- ▶ Government Innovation and Technology: Opportunities in Springfield and near state government branches
- ▶ State agencies have strong incentives to experiment in cost control and data management, both of which provide advantages to entrepreneurs.
- ▶ State employees generous income, pensions, and health insurance support entrepreneurs as they start new businesses.
- ▶ State government has its own laboratories, research sites and operations facilities, all of which provide opportunities for entrepreneurs.
- ▶ Strategies for civic and government tech entrepreneurship and innovation:
 - ✓ Creating test sites for state government's mandated tests of new procedures and ideas.
 - ✓ Contracting for state infrastructure construction and implementation
 - ✓ Technology to improve state customer service, data collection, and data integration across agencies



IL Government Innovation: Examples

Rantoul, IL: Autonomous Track

- ▶ The Advanced Transportation Research and Engineering Laboratory at the former Chanute Air Force Base is creating an innovation complex with a 1.9-mile autonomous freight testing track where vehicles could reach speeds of up to 65 mph — and 257 acres on the site can attract industry and entrepreneurs to test new autonomous technology applications.



Rebuild Illinois: Broadband Infrastructure

- ▶ IL recently announced a \$420 million rural broadband expansion program. The program places a series of investments in rural broadband development, investments that provide valuable contracting opportunities for start-up businesses. i3 Broadband provides internet services through a fiber optic network in Peoria, Champaign, and Urbana markets which was constructed with federal, state, and local funding.





Research Universities

- ▶ As the only Research-One university outside the Chicago Metropolitan Area, the University of Illinois campus in Urbana-Champaign provides a valuable resource for dispersing technology development in Central Illinois.
- ▶ Southern Illinois University is another research institution in downstate IL fueling innovation and entrepreneurship in its region.
- ▶ Strategies for research university entrepreneurship:
 - ▶ Measures that allow students and employees to keep patents or easily license technology to develop business ideas enhance the rewards to risk-taking.
 - ▶ Reduce risk with financing program such as proof-of-concept grants, low-interest loans, and “patient” capital equity investments
 - ▶ Incubator space for launching companies and connecting entrepreneurs to specialized consulting and experienced technology startup executives
 - ▶ In addition to faculty, leverage university retirees, graduate students, and immigrants as under-realized sources for new businesses.



Research Universities: Examples

SIU Carbondale, IL: Fermentation

- ▶ Southern Illinois University in Carbondale strengthened its entrepreneurship activities and ties to regional brewing and distilling businesses by establishing a fermentation science degree trains students to work in the brewing, distilling and winemaking, while a university-run brewery, distillery and lab provide business opportunities and support for both existing and new producers.



Illinois VENTURES: University VC Fund

- ▶ Illinois Ventures is a seed and early-stage technology investment firm focused on research-derived companies from technology developed at the University of Illinois. Current investments reflect targeted practice areas in energy, device physics, advanced materials, biotechnology, medical devices and instrumentation, homeland security, and software.



Growing Our Own: Economic Gardening Opportunities for Diverse Illinois Places

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[DOWNLOAD THE FULL REPORT](#)

<https://go.illinois.edu/GrowOurOwnIL>

Growing Our Own: Economic Gardening Opportunities for Diverse Illinois Places

Marc Doussard
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University of Illinois at Urbana-Champaign

June 18, 2020


This report was commissioned by the U.S. Economic Development Administration (EDA) University Center at the University of Illinois at Urbana-Champaign Research Park & EnterpriseWorks Incubator.

Principal Investigator: Laura A. Frerichs, Research Park Executive Director



Support for New Developments

I We're here for you. Help us grow with you!
Take Our Survey Today!
<http://bit.ly/3cJghnK>



STREATOR INCUBATOR

What does the Streator Incubator mean to you?
Take the Community Engagement Survey
<http://bit.ly/3cJghnK>

Streator Incubator Feasibility Study & Recommendations

Problems Identified	Responses to the Problem	Desired Outcomes	Supporting Information
1 Low Utilization of Space	 New Initiatives	Appealing initiatives will induce interest creating a thriving entrepreneurial scene in Streator	 Financial Feasibility Analysis
2 Lack of Marketing Plan	 New Marketing Strategy	Utilizing the right marketing channels will generate awareness and excitement for various demographics	 Discussion of External Funding Opportunities
3 Weak Brand Image	 New Staffing Model	A new Staffing Model will provide the Incubator with the capabilities to sustain their new operations	

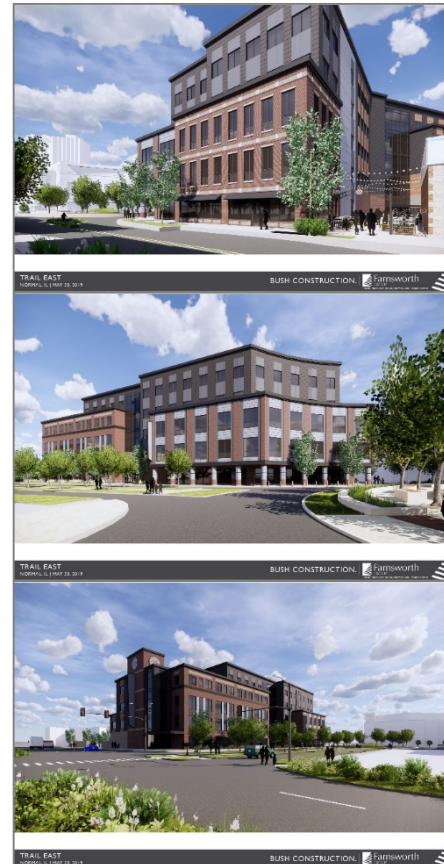
- ▶ Networking & Speaking Events
 - ▶ drive traffic to incubator & increase value for tenants
- ▶ Food Preparation Facility Expansion
 - ▶ production & retail businesses
- ▶ Light Manufacturing Facility
 - ▶ venue for material manipulation and product development
- ▶ DIY workspace that aligns with skillset & interest of community
 - ▶ 3D Printer in DIY Workshop benefits multiple stakeholders



Support for New Developments

ISU / Bloomington-Normal Community Startup Incubator

- ▶ Located in New Trail East Building close to ISU Campus
- ▶ Part of the ISU Innovation Hub of the IIN
- ▶ Innovations for Socio-Scientific Sustainability (IS3)
 - ▶ Sustainable Natural Systems
 - ▶ Sustainable Social Systems
 - ▶ Economic Sustainability



Support for New Developments

Illinois AgTech Accelerator

- ▶ Focus on agriculture innovation and technology in the Midwest
- ▶ Support, mentor, and invest in 10 AgTech startups per year
- ▶ Operate two cohorts per year, each with five startups



Governors State University

- ▶ Supply Chain Innovation Center and Business Incubator
- ▶ Only supply chain hub in the Illinois Innovation Network (IIN)
- ▶ Technical assistance with operational funding and fund raising



What we learned from COVID-19

Lessons Learned

- ▶ Remote & Virtual Programming Worked!
 - ▶ except ... R&D labs had to remain accessible
- ▶ Increased interest in medical technology and innovation in response to COVID-19
 - ▶ navigate EUAs and other FDA approvals
 - ▶ prototyping & manufacturing of PPE
- ▶ Urgent demand for ...
 - ▶ a digital marketplace (e-commerce / jobs)
 - ▶ cleaning services
 - ▶ accounting services
 - ▶ legal assistance
 - ▶ HR/workforce assistance

Responses

- ▶ Virtual Programming Pivots!
- ▶ Proposed New Programs
 - ▶ development & commercialization assistance for COVID-19 technologies
 - ▶ prototype assistance to create PPE, physical products, or repurpose existing products to serve or respond to COVID-19 needs
 - ▶ digital transformation assistance, skills, and workforce development training
- ▶ Help inform SBDC funding request for in-demand client services
- ▶ Work with Illinois Manufacturing Extension Center (IMEC) to assist with supply chain impact, scheduling shifts, reorganizing worksites

Thank You!

Questions?

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WEBSITES

- ▶ Free EDA Resources & Online Application
<http://illinoisincubators.org/resources>
- ▶ Illinois University Incubator Network (IUIIN)
<http://illinoisincubators.org>