



**Division of
Science, Technology
& Innovation**

NYS Business Incubator and Innovation Hot Spot Program

2016 Consolidated Funding Application (CFA) Presentation

A Division of Empire State Development

5/4/16

Program Goals

- Improve the quality and quantity of incubator services provided to young companies thereby enabling these businesses to successfully transition from start up phase to large scale commercialization.
- More effectively harness New York State's innovation assets to better serve inventors and entrepreneurs.



2016-2017 Enacted State Budget

Included \$5 million in funding for designated “NYS Business Incubators” and “NYS Innovation Hot Spots”

- **\$2.5 million available for 2016-2017 for 10 new NYS Business Incubators and 5 new NYS Innovation Hot Spots.**



New This Year

- You can apply for the designation of NYS Innovation Hot Spot, NYS Business Incubator or Both.
 - Only applicants located in the Economic Development Regions of Western NY, Southern Tier, Finger Lakes, Central NY, and North Country are eligible to apply to become a NYS Innovation Hot Spot.
- NYS has extended the funding commitment from 3 years to 5 years.
 - The funding has stayed the same, however the contract time has been lengthened to allow for better planning and program support.
- The application requires applicants to submit prior economic performance metrics to help determine the success of the program.
- New budget questions need to be filled out:
 - Sources and uses:



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Funding

Successful applicants will be awarded operating grants to expand the services and programs provided to start-up companies served by the incubator.

Up to \$125,000 will be provided annually for five years to entities designated as a NYS Business Incubator.

Up to \$250,000 will be provided annually for five years to entities designated as a NYS Innovation Hot Spots.

Funding is available to designate ten NYS Business Incubators fiscal year 2016-17 and five NYS innovation Hot Spots.



Budget Sources and Uses

Question	NYS innovation Hot Spot	NYS Business Incubator
Total Project Cost State money plus match	\$3.75 Million	\$1.875 Million
Funding Request State money	\$1.25 Million	\$625,000
Sources and Uses What you plan on spending your match on.	\$2.5 Million	\$1.25 Million

Use general buckets, you can submit a more detailed budget with your application. We require a final budget before we go to contract.



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NYS Innovation Hot Spot Designation

An entity seeking designation as a New York State Innovation Hot Spot Designation must meet these requirements:

- Has been in existence for three years.
- Provide a strategic plan.
- Demonstrate that their services align with industry best practices.
- Agree to expand the services.
- Demonstrate a 2:1 match of state funds.
- Be physically located in on of these five NYS Economic Development Regions (Western NY, Southern Tier, Finger Lakes, Central NY, North Country)
- Have a strong affiliation and a Memorandum of Understanding (MOU) with a University or College that shows alignment with assisting in Technology transfer initiatives.

IN ADDITION:

An entity wishing to be designated as a New York State Innovation Hot Spot must be a New York State not-for-profit currently providing business incubation services for at least three years. Entities not meeting this threshold may partner with other business development organizations.



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NYS Business Incubator Designation

An entity seeking designation as a New York State Business Incubator must meet these requirements:

- been in existence for three years
- provide a strategic plan
- demonstrate that their services align with industry best practices.
- agree to expand the services
- demonstrate a 2:1 match of state funds

IN ADDITION:

An entity wishing to be designated as a New York State Business Incubator must be a New York State not-for-profit currently providing business incubation services for at least three years. Entities not meeting this threshold may partner with other business development organizations or the Regional Innovation Hotspot to meet the three year requirement.



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Basic Requirements

Entities seeking designation under this program must meet the following requirements including:

- New York State not-for-profit;
- Documentation of incubation services provided over the last three years;
- Demonstrated link to regional sources of innovation and expertise;
- Commit to financially and programmatically maintaining the incubator for five years from date of designation;
- Commit to best practices of incubation;
- Provide a strategic plan that describes how it intends to positively impact the regional entrepreneurial environment;
- Detail the process it uses to accelerate the development and commercialization of its clients products and services;
- Expand those services in scope or provide new services;
- Provide a two-to-one match of the grant funds it receives for the operation of the incubator; and
- Submit data as required by ESD on the operations and performance of the incubator including a list of business enterprises currently being served by the incubator.



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Best Practices – Requirement of Designation

What constitutes “Best Practices”?

ESD consulted with BIANY and NBIA: “Best Practice” incubators are those that provide a majority of these programs, services or benefits:

- An integrated array of services for start-up firms.
- Opportunities for clients to network and collaborate with other business services.
- Access to capital via referral to financial institutions, venture capitalists, angel investors and other sources.
- Aid in accessing markets.
- Physical, laboratory and/or manufacturing space.
- Criteria for acceptance and graduation from the program.



Best Practices -- Continued

- Financial support from sources other than tenants, the sponsoring entity or New York State governmental agencies.
- Participation by an independent advisory council or similar body.
- Expertise from a professional management and service delivery team.
- Access by clients to mentoring, advisory or educational services.

All proposals should clearly identify a variety of your service offerings based on these recommendations.



Important Distinction From Previous Rounds!

The programmatic goal of this solicitation is to have applicants (not-for-profits) **focus on services related to one or more industry verticals instead of general business development services. These verticals include but are not limited to (textiles, fashion, food, dairy, Industrial kitchens, consumables, maker spaces, bio, info-based, nanotechnology, energy and others).**

Applicants are encouraged to **partner with their respective Regional NYS Innovation Hot spot and have the support of their Regional Economic Development Council (REDC).** This program is intended to expand, enhance, and improve existing programs and services offered by the entity.

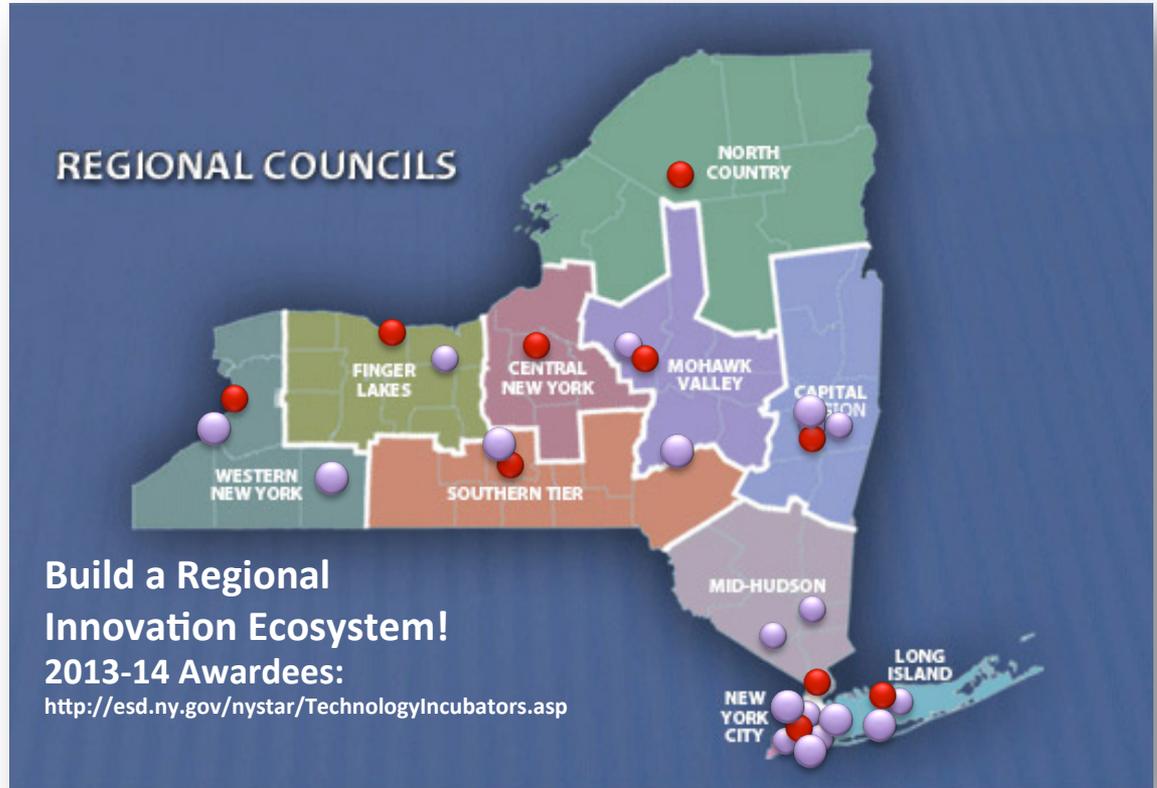


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Existing Incubators and Hot Spots

- NYS Innovation Hot Spots
- NYS Certified Business Incubators

Applicants are encouraged to look and partner with past awardees for collaboration and partnership.



Hot Spot Contacts

First Name	Last Name	Hotspot	email
Thomas	Murdock	Western NY	murdock2@buffalo.edu
James	Senall	Finger Lakes	James.senall@htr.org
Tom	Schryver	Southern Tier	tps1@cornell.edu
Lynn	Hughes	Central NY	lynn@thetechgarden.com
Frank	DuRoss	Mohawk Valley	fduross@mvcc.edu
Mathew	Draper	North Country	mldraper@clarkson.edu
Michael	Shimazu	Capital Region	mshimazu@albany.edu
Frank	DuRoss	Hudson Valley	fduross@mvcc.edu
John	Blaho	New York City	john.blaho@mail.cuny.edu
AnnMarie	Scheidt	Long Island	annmarie.scheidt@stonybrook.edu

Selection Criteria

Applications will be evaluated and judged using the following criteria:

- Alignment with regional strategies, priorities, assets and opportunities.
- The additional resources which will be leveraged by state grant assistance.
- The number of clients served.
- Demonstrated success in graduating clients from the incubator.
- Type and quality of services provided.
- How well the services and programs offered by the incubator conform to best practices.
- Effectiveness in accelerating the growth of start-up companies.
- The financial and programmatic support of the institution or communities it serves.
- Commitment and support of the business sector.
- Demonstrated commitment to growing the entrepreneurial and innovation network.



Award Process

- Empire State Development is administering the competitive process for designation under this program.
- Applications will be received and reviewed through the Consolidated Funding Application (CFA) process by both the Regional Councils and ESD.

Scoring

Applications will be scored using the following methodology:

1). Alignment with Regional Strategy and Priorities (20 percent)

- How well does the application meet the strategies and priorities identified in the Regional Council Strategic Plan?
- This section is scored by the applicant's Regional Council

2). Incubation Community Best Practices (10 percent)

- How well do the services and programs offered by the incubator conform to best practices within the Incubator Community?

3). Incubation Effectiveness (15 percent)

- What is the track record of the incubator in accelerating growth of start-ups?



Scoring - continued

4). Expansion of Services (15 percent)

- What new or expanded programs or services will be provided to start-up companies within the region as are result of the grant funding?
- Does this application involve a partnership with other incubators or the Regional Innovation Hot Spot?

5). Financial Soundness and Sustainability (10 percent)

- Does the applicant's operating budget demonstrate financial soundness and strength?

6). Regional Incubator Leadership Assistance (20 percent)

- How does the applicant propose to assist in the growth of the region's entrepreneurial and innovation network?

7) Alignment to one or more significant statewide program (10 Percent)

Downtown Revitalization Initiative
Opportunity Agenda Related Projects
Global NY Related Projects
Veterans' Related Projects
NY Rising Related Projects



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Important Dates!

Benchmarks	Dates
Application Opens	May 2, 2016
Application Due	July 29, 2016 @ 4PM EST
Agency Eligibility/ Agency Scores/ REDC Scoring	August 1 – August 12, 2016
Awards Announced	Fall 2016



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Thank You!

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