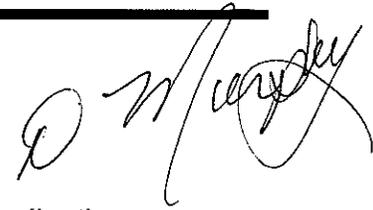


CITY OF SULTAN
AGENDA ITEM COVER SHEET

Agenda Item : A-10
Date: January 8, 2009
SUBJECT: USDA Rural Business Enterprise Grant Application



CONTACT PERSON: Donna Murphy Grants and Economic Development Coordinator

ISSUE:

The issue before the Council is to designate \$2,500 from the Economic Development Fund toward the match on a USDA Rural Business Enterprise Grant Application.

A decision by the Council to designate the funds to this project will postpone the grant project for Main Street Façade Improvements until 2010. There is \$3,500 in the Economic Development Budget. The City received the invoice for \$1,000 to re-invest membership with the Snohomish County Economic Development Council.

There is no match requirement for these funds, however more points are given to applicants who show financial commitment, giving the applicant more credibility.

SUMMARY STATEMENT:

The United States Department of Agriculture Rural Development has called for projects eligible for the a Rural Business Enterprise Grant Program.

It has been Mayor Eslick's desire to develop a Small Business Incubator in Sultan for Sultan and East Snohomish County small business owners. A Small Business Incubator Project is eligible for this grant program.

The City of Sultan is the lead agency in the grant application and is partnering with the Sky Valley Chamber of Commerce. 300 square feet has been designated at the Sultan Visitor Information Center to accommodate approximately 12 small business owners. Most of these businesses have been home based or start-up businesses that are ready to grow from the home base or start-up to the next level. A Small Business Incubator located at the Sultan Visitor Information Center will provide the needed office equipment, i.e. computer, phone, FAX, copier, restroom, kitchen facilities, and utilities. Monthly educational workshops will be held to increase the small business owners chance for success when they move on from the incubator.

The individual tasks that the City of Sultan and Sky Valley Chamber of Commerce will provide are increasing sponsorship, supervision of volunteer interns, an improved

media and marketing campaign, and incorporating other small business events at Sky Valley Small Business Incubator.

The small business owner will first apply to Sky Valley Small Business Incubator. Their service or product will be juried on its marketability, price, need, etc. Once accepted, the Small Business Owner will pay \$100 per year and have access to the following:

- Reasonable space provided for their product or promotion of their service
- Access to copy machine, fax machine, telephone, computer/printer, electricity, heat/air conditioning, restroom and kitchen facilities.
- Business Education Workshops provided quarterly
- A Revolving Loan Fund will be set up especially for the small business owners.

In return, the Small Business Owner will pay Sky Valley Small Business Incubator:

25% Commission on in-store sales

15% Commission on internet sales

This project will maximize entrepreneurial and small business growth by providing Downtown visibility and sustainability in the Skykomish Valley and East Snohomish County through training, mentoring and marketing.

This is an 18 month project with the following budget components

DRAFT BUDGET
 Sky Valley Small Business Incubator
 18 Month Project
 June 2009 – December 2010

Item	RBEG Request	Local Share	Total Project Cost
Advertising/Marketing	\$10,000		\$10,000
Paid Director 40 hours/wk @ \$20.50 per hour (18 months)	\$44,280	\$18,000	\$62,280
Promotional Materials/Brochures	\$9,000		\$9,000
Display Units	\$7,000		\$7,000
Website Design	\$3,515	Email set up in-kind	\$3,512
Website Maintenance	\$5,400 (18 months)		\$5,400
Hosting Domain	\$ 112 (18 months)		
1 Computer + Software Shared Use	\$3,500		\$3,500
Building Space 300 sq. ft. @ \$1.25/ft		\$6,750 (18 months)	\$6,750
City of Sultan		\$2,500 - Pending	
Coastal Comm. Donation		\$1,000 - Pending	
Chamber Donation		\$250 - Pending	
TOTAL	Under \$100,000		

Timeframe – 18 months

Recommended Motion:

I move to authorize staff to designate \$2,500 from the Economic Development Fund as a cash match on the USDA Rural Business Enterprise Grant application to develop a Small Business Incubator at the Sultan Visitor Information Center.