

BUDGET NARRATIVE
Revised 5/2022

Huerfano County Retail Pop-Up Business Incubator

PERSONNEL

Business Incubator Manager Annual Salary \$70,000 Annual Fringe Benefits \$17,500

The Business Incubator Manager will be responsible for the overall operations of the business Incubator. Responsibilities include building collaborative relationships within the business community, development of an annual budget, establish and coordinate a resource network, oversee facility maintenance, and coordinate the execution of lease agreements with incubator tenants.

Makerspace Program Manager Annual Salary \$55,000 Annual Fringe Benefits \$13,750

The Makerspace Program Manager will recruit tenants for the pop-up incubator spaces. Responsibilities include identifying the needs of the new business and coordinating supportive services. This position will collaborate with service providers including the SCEDD SBA Navigator Program, the Small Business Development Center, and the Southern Colorado Innovation Link's to ensure the new retail pop-up business is successful.

Administrative Assistant Annual Salary \$45,000 Annual Fringe Benefits \$11,250

The Administrative Assistant will provide support to Incubator staff and pop-up businesses, including daily oversight of the facility, arranging events, and other marketing efforts. This position will also be responsible for capturing data for reporting to the program administrator, County leaders, and funding sources.

Grant Administrator Hourly Salary \$30

The grant administrator will be responsible for tracking grant-related expenditures and activities. This data will be provided to the County and Economic Development Administration quarterly, at a minimum. The grant administrator will be responsible for reimbursement requests from the funding sources and preparing and submitting required quarterly, semi-annual and annual reports. Compensation is based on an hourly rate of \$30, not to exceed \$5,000 per year. This translates into approximately 14 hours per month spent on the Huerfano County Retail Pop-Up Business Incubator project.

Travel - \$15,000

Funds are requested (approximately \$5,000 per year) so that staff and businesses may attend out-of-town workshops, training, and networking events. Travel also includes mileage reimbursement for local travel associated with the project.

InBIA hosts several conferences annually, for example. It is anticipated that staff will attend (virtually or in-person) the International Conference on Business Incubation and the E-Builders Form. The \$400 per person registration is the rate for virtual attendance at the early-bird membership price.

Employees are reimbursed at the annual rate of 58.5 cents per mile for personal car use while carrying out duties associated with the Huerfano County Retail Pop-Up Business Incubator project. While not expected to be a significant amount of the budget because most activities are located in Walsenburg, there is a small allowance in the budget for compensation. Staff are expected to attend regional networking events and consultations.

Supplies – \$56,400

The largest expenditure in this line item are the individual retail spaces (cubbies). The cubbies are moveable, adaptable individual retail spaces for the participating new businesses. These pop-up spaces will be leased to new retail businesses and are adaptable as each business graduates to a permanent, stand-alone site in the community. This proposal includes the purchase of eight moveable structures at an approximate cost of \$4,500 each. The \$4,500 reflects anticipated inflation and shipping.

Marketing and events will include presentations at business-related events, such as Chamber of Commerce meetings, as well as hosting open houses at the incubator site. The Retail Pop-Up Business Incubator will use these events to market the program and identify potential participants. To keep the site relevant in the business community, periodic open houses will be held on-site to showcase products and highlight program successes. These periodic events will be small – expected attendance is estimated at 25-30 members of the business community. The Chamber of Commerce, located in La Veta, hosts many networking events throughout the year. It is expected that incubator staff will represent the initiative.



Other costs in the supplies line item include one-time purchase of signs designating the site. Funds are needed for marketing, printing, and costs associated with special events.

Contractual - \$83,215

Consultants will be procured according to regulations outlined in 2 CFR 200 Sections 317-326.

Huerfano County will engage a Retail Design Consultant. This consultant will work with incubator staff on designing an effective space for the pop-up retail incubator. This consultant will map physical and digital channels to show how they connect and the sales/service mix volumes for each. The goal is to establish an in-store experience that increases customer dwell time and create product displays that drive maximum attention. Along with the Pop-up Retail Incubator staff, the consultant will develop the store layout, retail design, and merchandising plans that fulfill customer needs. In addition to determining the store's layout, the retail design consultant will offer advise on promotions and merchandising to reap maximum benefits. The Retail Design Consultant will provide expertise while providing necessary capacity during the start-up period. The consultant will be available through the grant period to provide additional expertise as needed. Cost estimates for this service are based on averages provided by professional retail design consultants.

Huerfano County will also contract with a digital consultant. The digital consultant will work with the pop-up retail incubator staff on developing and maintaining an online marketplace.

Other

Other costs associated with the administration of the Huerfano County Retail Pop-Up Business Incubator Include technology costs, building maintenance, and utilities. Rental costs of the facility are being waived by the property owner.

Annual membership in the International Business Innovation Association (InBIA) will provide a valuable resource for the Retail Pop-Up Business Incubator. InBIA is a global non-profit that leads entrepreneurship support organizations in 30 countries. InBIA provides industry best practices through education while enabling collaboration, mentorship, peer-based learning, and the sharing of innovative ideas for entrepreneurs across the globe. Annual membership is \$695 per year for six individuals per organization.

Sustainability:

Huerfano County will experience an increase in retail activity as the incubator participants graduate to their own stand-alone retail establishments. The Business Incubator Manager will work in concert with the Board of Directors of Huerfano County Economic Development Inc. and the Huerfano County Board of County Commissioners to solidify a plan to ensure the long-term sustainability of the Retail Pop-Up Business Incubator. An Initial plan for sustainability is charging participants a base rent and then a graduated percentage of retail revenue. As the program progresses, staff costs may be decreased as volunteer mentors come forward.