

NORTH CAROLINA'S SOUTHEAST™

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Small Business and Industry Incubator Development Guide

Supported by a Grant from the U.S. Economic Development Administration

“To understand the true impact of entrepreneurship in the economy, you have to go from bean counting to looking at the country’s entrepreneurship ecosystem as a whole. The U.S. excels because it is strong in so many areas that matter. Entrepreneurship plays a crucial role in the U.S. economy and as result policy initiatives are created to encourage entrepreneurial behavior. This, coupled with the culture of determination and motivation, makes the U.S. a great place to be an entrepreneur.”

Professor Erkkö Autio
Imperial College Business School
Co-Author, Global Entrepreneurship and Development Index (GEDI)

Overview and Rationale

Along with numerous other tools and programs, incubator programs form a widely utilized economic development strategy in use by economic development organizations across Southeastern North Carolina. When viewed collectively, the Southeast’s incubators converge to create a job-creation and business development asset that has significant regional economic impact. This guide provides an overview of existing and prospective small business and industrial incubator buildings and programs, along with relevant insight into their missions, models and operation.

Small businesses in the U.S. – of which there are more than 30 million – account for half the nation’s Gross Domestic Product (GDP), according to Barron’s. The 2014 Global Entrepreneurship and Development Index (GEDI) found the U.S. to be “the most entrepreneurial economy in the world” based on an index combining data collected from 120 countries on entrepreneurial activities, aspirations and public policy support. Canada, Australia and Sweden ranked second, third and fourth, respectively.

In 2015, small business employment made around 45% of total private employment in the U.S., according to the U.S. Small Business Administration (SBA), and were responsible

for 97.6 percent of exported goods. Still, small business activity in the U.S. has fallen behind in recent years. From 2007 to the first half of 2019, applications for form new businesses fell 16 percent, Barron’s found. Then came COVID-19. Over 155,000 U.S. small businesses have closed since March 2020, according to data compiled by Yelp. Lacking the scale of their larger competitors, small companies -- those employing fewer than 500 workers -- have borne the brunt of economic dislocation brought on by the pandemic and the social distancing measures that followed.

As stewards of their regions, state and communities, economic development professionals strive to create an environment where businesses of all sizes can find synergies that maximize competitive advantages, market access, labor force quality, infrastructure, and other physical assets. The result is job creation, rising wage levels, enhanced tax-base and the elevated quality of community life that accompanies economic diversification and resilience.

Business incubators have been one line of strategic action economic developers have implemented in supporting the success of local start-ups, established small firms and high-potential industrial operations. Most also provide low-cost technical assistance, administrative support and managerial

guidance. Central to the mission of most incubators is providing entrepreneurs with affordable space – thus fostering the success of new ventures through reduced start-up costs. Some also serve specific objectives such as technology development and neighborhood revitalization. The National Business Incubation Association reports that there are more than 900 NBIA-affiliated incubators in the U.S. today.

According to the International Economic Development Council (IEDC):

- Business incubators foster start-up companies their first few years, a time in which most small businesses die. Small business incubators provide office space, administrative assistance, funding information such as links to venture capital, and proactive entrepreneurial mentoring.
- Technology and biotech incubators are currently in high demand by startup firms because they offer mentoring, affordable office space, technology infrastructure and laboratory costs, and thus allow the firm to concentrate on business and product development.
- Informal and formal networking helps small businesses learn from each other about how to reach new customers, suppliers and potential workers.

Incubator models offer a compelling balance of scale and customization, a quality that has made them significant components of both regional and rural economic development strategies. Most incubator programs add value for tenants and clients through access to regional networks of contacts, service providers, training organizations, capital networks, innovation resources and other support systems.

According to the International Business Innovation Association (Inbia), a regional approach to business incubation is particularly important in rural regions, “which work with dispersed populations, limited local markets, and a smaller base of expert advisors, service providers and potential clients. Effective networks increase access to specialized knowledge and services – meaning more people and more money to help businesses grow.”

Business incubators gained traction in the 1980s when numerous higher education institutions decided to launch campus-affiliated business incubators in order to offer students better employment prospects. Four decades later, college and universities remain engaged in business incubators both as a means for carrying out their student-centered missions while also offering faculty a venue for applying practical know-how and projecting the intellectual capital assets of the campus out into the surrounding community and region.

Incubators associated with community colleges and universities, in fact, bridge deficits that often exist with regard to formal business education attained by the average entrepreneur. Research by Guidant Financial, an entrepreneurial financing provider based in Bellevue, Wash., found that a lack of proper education was a significant impediment to individuals acting on entrepreneurial ideas. The company found that 32 percent of owners have only taken a couple of business classes, while most (46 percent) don’t have any form of business education. Surprisingly, one-third of all small business owners never advance their formal education beyond high-school. This is non-trivial data for otherwise promising young entrepreneurs without college degrees who may lack the confidence to embrace their vision for business ownership.

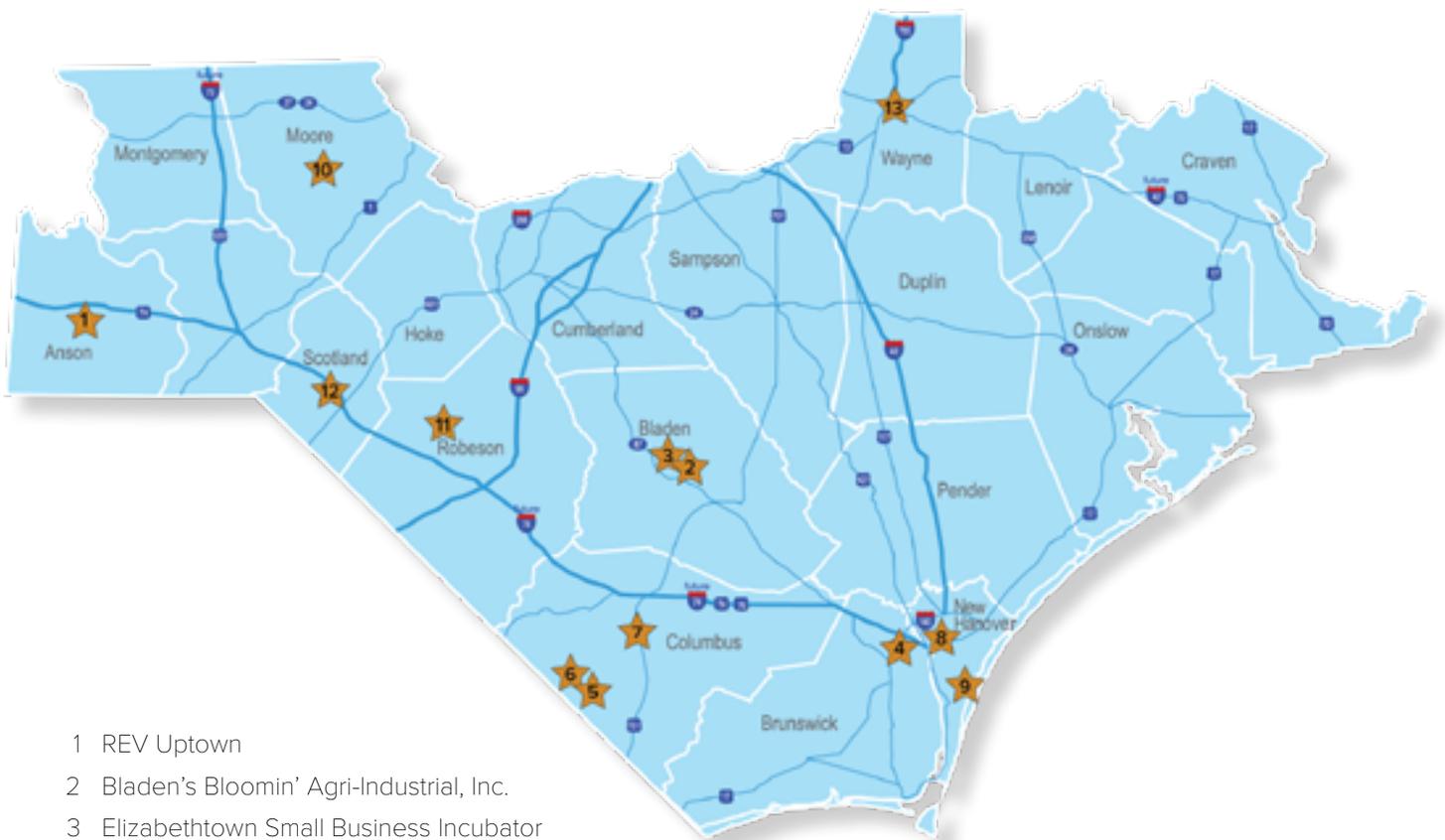
But campus-oriented incubators are not the only viable model. “Incubating Success,” a 2011 research study conducted for the U.S. Economic

Development Administration found that there is no one practice that helps incubators build strong companies and graduate clients. Instead, it is the synergy of practices and policies that leads to incubation program success. According to Inbia, “to build innovative companies and create community wealth, incubation programs need to focus on their local market needs and design programs accordingly. Especially in rural areas, this may involve innovative facility design and service

delivery.”

As this guide has found, communities across Southeastern North Carolina are leveraging a broad menu of technical, spatial, financial, organizational and leadership resources to create incubators that address specific challenges and embrace opportunities that are unique to their surrounding economic landscape.

North Carolina’s Southeast Incubator Locations



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ANSON COUNTY

REV Uptown

In Brief: REV Uptown leverages a modest downtown space footprint to attract entrepreneurial energy to small town North Carolina. Higher-than-anticipated demand from creative-minded business owners necessitated rapid ramp-up of the space. REV Uptown is available to tenants 24/7 and is equipped with high-speed Internet. Complementing an on-site coffee house is an executive lounge equipped with a full kitchen.

Project REV (“Rural Economic Vibrancy”), an initiative of the Anson Economic Development Corporation, offers a **business incubator and co-working space in a renovated department store**. Launched in 2019, REV is part of a rural economic strategy designed to sharpen the community’s competitive edge. The 5,000-sq.-ft. property boasts a coffee bar and visitor center, both of which are open to the public. It also houses the Anson County Chamber of Commerce, Uptown Wadesboro, the Anson County Economic Development Commission and the Anson County Tourism Development Authority.



“CoWorking Wednesdays” event series provides ongoing business networking opportunities.



Rental cost for co-working flex space at REV Uptown starts at \$50 per month. Space comes with access to specialized training programs and ongoing business support services through South Piedmont Community College’s Small Business Center, as well as on-site resources of the Chamber of Commerce and tourism, economic development and uptown development offices. A popular



Funding Sources and In-Kind Support: Anson County, the Town of Wadesboro, South Piedmont Community College, Leake and Anne Bennett Little, and the boards of community organizations; Anson Economic Development Partnership.

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BLADEN COUNTY

Bladen's Bloomin' Agri-Industrial, Inc.

In Brief: Bladen County is among the state's most sparsely populated counties. Though it lacks an Interstate highway, a four-year university, industry-ready natural gas and Class A rail, creativity and patience have converged to create a highly successful incubator-based product development program that other counties have replicated. Bladen's Bloomin' Agri-Industrial, Inc. has benefited from support across a wide range of public and private financial organizations and partnerships with state and regional economic development organizations. ***The 19-year-old program has a real estate inventory now valued at \$13 million, and its local annual economic impact is estimated at more than \$40 million.***

For nearly two decades Bladen County has pioneered a successful incubator model that leverages flexibility, private leadership, public engagement and a broad base of financial support. The incubator campus houses local manufacturers in "tradable" sectors – i.e., supplying markets

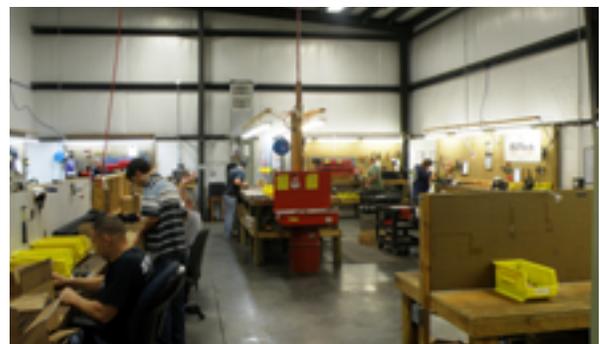


extending beyond the community. The program operates as an independent nonprofit corporation known as Bladen's Bloomin' Agri-Industrial, Inc. As a 501(c)(3) entity, the program benefits from key organizational advantages that include:

- **Limited Public Liability** – With most tenants engaged in industrial operations, county government is shielded from liability

that would accompany workplace accidents and other unforeseen events taking place on the property.

- **Privacy** – In vetting the financial viability of prospective tenants and negotiating leasing arrangements, the program is not subject to public records requests or media inquiries.
- **Speed** – Private organizations are not subject to time-consuming open meeting laws when the program's board of directors deliberate to embrace real-time opportunities.
- **Continuity** – The program's 11-member board of directors, which includes two elected officials who are appointed, does not hinge on the vagaries of election cycles and is thus insulated from sudden shifts in the political environment. Organized as a private nonprofit thus ensures long-



term consistency in mission, programs and strategies.

- **Internal Cost-Recovery** – The rapid growth of Bladen County’s multi-building incubator campus has been due to the program’s reliance on triple-net leasing arrangements. Proceeds from the leases are re-invested into additional buildings and expanded services.
- **Tax-Base Maximization** – As a private organization, Bladen’s Bloomin’ pays taxes on its extensive building inventory created over the past 19 years. In fact, the organization is among Bladen County’s largest taxpayers, with the value of its incubator buildings averaging \$800,000 each. The organization recovers its tax liability by billing its tenants for their share.

Bladen’s Bloomin’ is more than an incubator program. More accurately, it is a comprehensive product development strategy that accommodates local entrepreneurs and outside companies requiring flexible industrial space. Companies may expand



or reduce footprints as market needs warrant. With its lengthy experiences have come numerous lessons. One, for example, is that more office space

is frequently needed in order to accommodate the unforeseen number of white-collar jobs industrial companies often create. Another is the need for additional loading docks.

The program has no requirements for immediate job creation and no specifications on duration – i.e., no “grow out period.”

Instead, the Bladen’s Bloomin’ staff and board assess applicant business plans and management credentials on a case-by-



case basis. No marketing is done; local economic developers who manage Bladen’s Bloomin’ list available properties on regional (NCSE) and state economic development (EDPNC) buildings and sites databases.

Funding Sources and In-Kind Support: Grants and low-interest loans from the US Economic Development Administration; Golden LEAF, Community Development Block Grant program (US Department of Housing and Urban Development funding administered by the NC Department of Commerce’s Rural Economic Development Division); Four County Electric Membership Corporation’s Rural Economic Development Load & Grant program (“Red-Leg”); Bladen County Committee of 100, municipal governments and private banks.

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BLADEN COUNTY

Elizabethtown Small Business Incubator

In Brief: In early 2020, leaders from business, government and education opened the Elizabethtown Small Business Incubator, which focuses on local firms in largely non-tradable service sectors. The newly renovated space in a one-time post office is centrally located and houses the Bladen Community County Small Business Center and the Elizabethtown-White Lake Chamber of Commerce. Both organizations are partners in the facility, as well as Bladen County, the Town of Elizabethtown, Bladen's Bloomin' Agri-Industrial and the Bladen County Economic Development Commission.

The 4,000-sq.-ft. Elizabethtown Small Business Incubator offers tenants a common display area, eight spaces that are a combination of suites and single-occupancy offices, a shared break room and two A/V equipped conference rooms. A mail



room features storage lockers for each office. The property is served by dual WiFi. The incubator serves individuals, small businesses, nonprofits and churches needing assistance with business planning and growth. ***The facility provides organizations and companies low-cost office space, technical assistance, management support and access to business resources.*** Tenants may remain in the incubator for no more than five years.



Funding Sources and In-Kind Support: USDA Rural Development; Four County Electric Membership Corporation; Bladen County Committee of 100; Star Telephone Communications; Duke Energy; and Bladen's Bloomin' Agri-Industrial.

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BRUNSWICK COUNTY

Brunswick Community College's Business and Industry Incubator

In Brief: With assistance from local government, Brunswick Community College harnessed a well-positioned location at newly rebranded Leland Innovation Park to support industrial start-ups and local independent professionals. Grants from the Golden LEAF and U.S. EDA helped fund the renovation of an industrial building gifted to the College from Brunswick County Government. The College's Small Business Center, in collaboration with various small business resource partners around the region, oversees an incubator that has generated considerable interest from prospective tenants, who must first pass rigorous review by an advisory panel. If selected, tenants are required to "graduate" from the incubator within three years.

Brunswick Community College launched its Business and Industry Incubator in April 2016.



The facility had its first tenants the following July. The nearly 5,000-sq.-ft. facility is located at the college's Leland Center, which sits in 630-acre

Leland Innovation Park and takes advantage of convenience offered by nearby U.S. Highway 74/76 and I-140. The building was a gift to the College from Brunswick County Government. U.S. EDA and the Golden LEAF each contributed \$200,000 to upfit the facility. The College and County provided another \$50,000 to ready the building.

BCC's Business and Industry Incubator features three units – two that are 950-sq.-ft. each and a third that is 1,100-sq.-ft.

The incubator seeks companies less than two years old that will create up to 20 jobs in the coming two to three years. **Eligible start-ups include firms engaged in light manufacturing, warehousing or distribution.** Tenants must



"graduate" no later than the end of Year Three. As an additional incentive, lease terms increase each year:

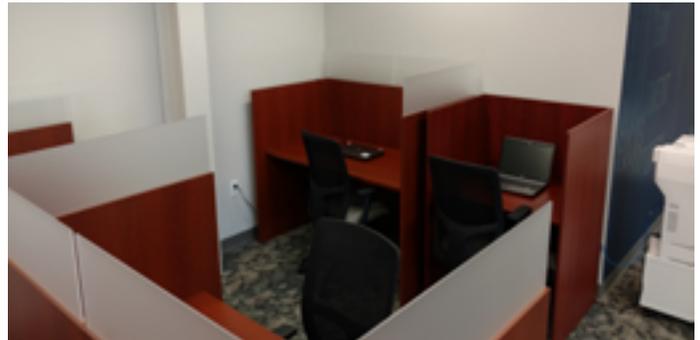
Year One = \$4.00 per square foot
 Year Two = \$4.50 per square foot
 Year Three = \$5.00 per square foot

BCC's "Success Team," an appointed advisory group composed of bankers, economic developers and area business leaders, considers applications from prospective tenants -- reviewing business models, marketing plans and financial statements. The Success Team then invites finalists to present their entrepreneurial vision in person.

Mentoring is provided to tenants from BCC's Small Business Center, which is co-located at the site. Counseling is also available through partners such as the local chapter of the Service Corps of Retired Executives (SCORE), UNC Wilmington's Center for Innovation and Entrepreneurship, the UNCW branch of the N.C. Small Business and Technology Development Center, and several of the region's chambers of commerce that are incubator partners. Included in the incubator's lease is a commitment by tenants to utilize these mentoring resources.

The site also is home to a membership-based co-working space known as "CINerG" (Center for Innovative Networking & Entrepreneur Groups), which serves as a physical location for independent contractors and virtual workers seeking a sense of community and synergy. Included in CINerG membership is access to WiFi, printers, photocopiers, meeting space and technical support.

Funding Sources and In-Kind Support: Brunswick Community College; Brunswick County; U.S. Economic Development Administration; Golden LEAF.



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COLUMBUS COUNTY

Tabor City Industrial Park Incubator Downtown Tabor City Business Incubator Columbus County Entrepreneurial and Business Development Center

In Brief: An inadequate inventory of amenity-rich commercial and industrial buildings has led Columbus County to embark on an aggressive series of incubator space development in Tabor City and Whiteville. Local leaders have tapped municipal, county, state, federal and foundation funds to convert vacant properties into multi-tenant buildings that aim to house locally grown businesses in both tradable and non-tradable sectors.

Columbus County's acquisition of a largely dormant industrial building converged with the arrival of a promising I/T business and support from the Rural Infrastructure Authority and the Golden LEAF to renovate a 16,000-sq.-ft. building at the well-equipped Tabor City Industrial Park, thus launching the county's ambitious incubator program. The recruitment in April 2016 of RADIX-Bay, an information technology consulting company, helped



secure \$286,800 to enable Columbus County to repurpose the building, which was constructed in 1998 and had been vacant for four years.

With the Tabor City Industrial Park Incubator soon operating at capacity and an overall dearth of quality

commercial space in downtown Tabor City, county and municipal leaders turned to a second venture



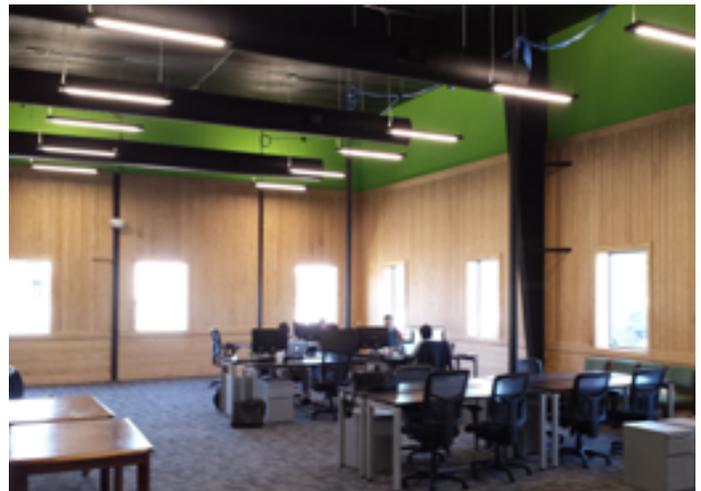
at an historic retail property once occupied by a Heilig-Meyers Furniture. A local bank donated the foreclosed property to the town in order to avoid code enforcement action. An \$800,000 grant from the U.S. Economic Development Administration, which came in the wake of Hurricane Florence's devastation in the county in 2018, drove the incubator's development. The facility's mission involves support for both new and existing Columbus County businesses.

In June 2019, county officials envisioned a third incubator facility in Whiteville that would serve the entire county. The Columbus Jobs Foundation

sought a feasibility study for what would become the Columbus County Entrepreneurial and Business Development Center (CCEBDC). In April 2020, the Golden LEAF announced it would award \$500,000 for the venture. CCEBDC will provide **more than just business space in a downtown location. It will offer support services, training and expert guidance.** Based on modeling from the Thomas Entrepreneurial Hub in Pembroke, Columbus County officials project that CCEBDC could serve 21 businesses over a three-year period, resulting in the creation of at least 200 new jobs. The site also possibly will house the local chamber of commerce, economic development office, tourism authority and small business center. While the coronavirus pandemic has slowed momentum, local leaders hope to have CCEBDC operational by mid-2021.

Efforts are underway to develop a retail incubator in downtown Fair Bluff, the county's fourth incubator. The project was awarded a \$4.8 million U.S. EDA grant in 2020. Strategic planning is also being undertaken for a fifth and sixth incubator in Bolton and Chadburn, respectively.

Funding Sources and In-Kind Support: Golden LEAF; Columbus Jobs Foundation; Columbus County; City of Tabor City; Columbus County Economic Development Commission; NC Rural Infrastructure Authority (NC Commerce); U.S. Economic Development Administration; Southeastern Economic Development Commission; UNC Department of Urban and Regional Studies; Southeastern Community College; Fayetteville State University; University of North Carolina Pembroke; Brian Hamilton Foundation.



CONTACT

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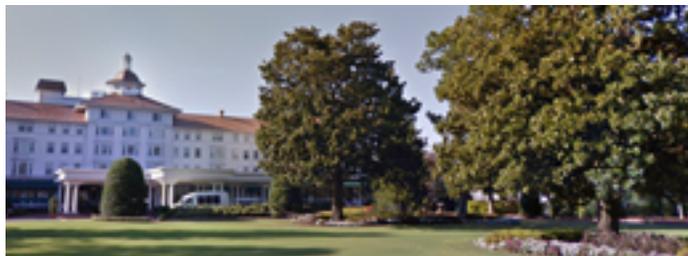
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MOORE COUNTY

Moore Forward Business Incubator (prospective)

In Brief: Moore County has a relatively small number of manufacturing workers – just 6 percent of its total workforce. It has just one industrial park and few vacant industrial buildings that would meet most manufacturers’ search requirements. But the county’s assets are equally unique and include an excellent community college, close proximity to UNC Pembroke, and an abundance of Ft. Bragg-stationed U.S. Army officers who may harbor entrepreneurial hopes upon re-entering civilian life. With financial support from county government and U.S. EDA, Moore County is embarking on a plan to open its first business incubator in 2022.

Moore County’s local economy is a study in contrasts. Healthcare, tourism and golf predominate Moore County’s prosperous southern half, while the northern end of the county struggles with a lack of infrastructure, jobs and business growth. Entrepreneurism has the potential to bring the two sides together. Facing an overall shortage of quality industrial buildings and sites, Partners in Progress, Moore County’s nonprofit economic development organization, has launched plans for a business incubator that would operate in partnership with Sandhills Community College and link to the



Thomas Entrepreneurial Hub at UNC Pembroke, about an hour’s drive away.

Moore County’s early vision was inspired by the success of Durham’s American Underground, a once-dormant cigarette factory now home to Class A office space and high-end start-ups – all engrained with downtown Durham’s cultural life. More recently, the success of the Thomas Entrepreneurial Hub in Pembroke is viewed as a best practice for extending practical academic resources into the economy of a rural North Carolina county. An incubator in Moore

County would similarly facilitate social exchange and professional networking among entrepreneurs.

Sandhills Community College (SCC) in Pinehurst will play a key role. The park-like campus is well-stocked with resources for start-ups. **SCC offers a 13-credit hour Entrepreneurial Certificate program designed to equip local business owners with the skills, experience and networks needed to succeed.** Students in the program work closely with SCC’s Small Business Center, which supports new and established business owners through seminars, referrals and counseling. Clients of the center, for example, can access guidance on creating a business plan at no cost.

Another likely incubator partner will be the Sandhills Area SCORE chapter (Service Corps of Retired Executives), which provides small firms in Moore County with experienced, business-savvy volunteers who offer free and confidential business counseling to entrepreneurs and small business



owners. SCORE provides its mentoring services one-on-one and through low-cost business workshops and seminars.

The U.S. EDA has provided \$80,000 in grant funding (with a \$20,000 county match) that Partners in Progress is using to engage Creative Economic Development Consulting LLC to perform a feasibility study, market assessment and economic impact analysis that will position an incubator program for Moore County. Plans are also underway to identify resources to staff the program. One possibility is that the incubator would be centrally located in downtown Carthage in an historic buggy factory.



Potential Funding Sources and In-Kind Support: Moore County Government; U.S. Economic Development Administration; Golden LEAF; Randolph Electric Membership Cooperative; UNC Pembroke; Sandhills Community College.

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NEW HANOVER COUNTY

UNC Wilmington Center for Innovation and Entrepreneurship

In Brief: The UNC Wilmington Center for Innovation and Entrepreneurship (CIE) provides convenient, low-cost office and meeting space to fill the needs of local start-ups that are venture fund candidates and operate in industries that align with the university's curricular foci: health, I/T, data analytics, media, coastal and marine sciences, and education. The Center's close proximity to campus resources combines with an active calendar of special events to make it a force for tech-based entrepreneurship in Greater Wilmington.

Opened in 2013, CIE is an extension of the university and partners with both public and private organizations to support regional economic development and the creation and growth of innovation-based businesses. The 20,000-sq.-ft. center serves as **a “visible front door to the entrepreneurial ecosystem,”** leveraging UNCW students, faculty, staff and alumni in creating start-up ventures, Knowledge Age jobs and business innovation. Nearly 100 percent of the businesses with which CIE may be classified as being in tradable sectors.

CIE rents out 15 private offices to local businesses on a month-to-month basis. There is no limit on the duration of tenancy. Monthly rents range from \$300 to \$500 based on size. Tenants have 24/7 access to the facility, whose services include:

- High-speed Internet and WiFi
- Oversize and 3D printers
- Conference rooms
- Discounted event space rental
- Free or discounted admission for all CIE events
- Media Team services (maximum 10 projects per year; \$200 annual fee)
- Mentoring and advising
- On-site administrative support and receptionist
- Access to university intellectual capital



The CIE's mission centers on peer-based learning. As a membership association, it also is a ready platform for business networking. Memberships (as distinct from tenancy) are available to the public at various levels, generating \$15,000 per year in



revenue for the Center. Another source of cost-recovery is rental of event space, which generates about \$12,000 per year.



CIE also houses UNCW's office of the NC Small Business and Technology Development Center

(SBTDC), and CIE collaborates with the Small Business Centers (SBCs) of Cape Fear Community College and Brunswick Community College as part of a regional small business consortium.

Funding Sources and In-Kind Support: University of North Carolina Wilmington; UNCW Research Foundation; Cape Fear Future Foundation; NC Biotechnology Center; New Hanover Regional Medical Center; Wilmington International Airport; Wilmington Chamber of Commerce; the City of Wilmington; NC IDEA Foundation; Brian Hamilton Foundation; numerous local banks, accounting firms, law firms and small businesses.

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NEW HANOVER COUNTY

MARBIONC - UNCW Center for Marine Science

In Brief: The state-of-the-art MARBIONC Building, part of UNC Wilmington's CREST Research Park, offers multi-functional laboratories and specialized research equipment designed to catalyze university/industry partnerships and promote economic development through translational research. Located on the Intracoastal Waterway, the facility offers tenants access to advanced biotechnology labs and technologies, analytical services, I/T support and marine biotechnology expertise.

Launched in 2008, MARBIONC ("Marine Biotechnology in North Carolina") is a UNCW-based economic development program that promotes discovery and marketing of products and technologies derived from the sea. The 69,000-sq.-ft., **LEED certified interdisciplinary research facility offers lab spaces for rent to entrepreneurs, start-up companies and established businesses that focus on biotechnology, analytical and environmental sciences, and early-stage pharmaceutical R&D.**



Lease rates vary based on the amount of laboratory space needed and the nature of the partnership, as well as other factors. A chemistry laboratory recently leased for \$34 per square foot.

Established companies also lease space there, and UNCW research operations also are housed at the site. MARBIONC has its own event space and an onsite café. Students from UNCW, Brunswick Community College and Cape Fear Community College work with tenant businesses through a special internship program. MARBIONC is



organized under UNCW's Office of Research and Innovation, with governing support also from the Vice Chancellor for Business Affairs, the Executive Director of Marine Sciences and the UNCW Research Foundation.



Funding Sources and In-Kind Support: University of North Carolina Wilmington; National Institute of Standards and Technology (NIST).

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ROBESON COUNTY

Thomas Entrepreneurial Hub (Thomas Center)

In Brief: By focusing on a broad community engagement mission, the Thomas Entrepreneurial Hub extends the intellectual capital of the University of North Carolina-Pembroke into the economy and community of Robeson County and the region. Local businesses in both tradable and non-tradable enterprises utilize the resources of the Hub, which include rentable office space. It is an effective avenue for extending the leadership and expertise of UNCP's College of Business into the region's economic landscape, including construction firms, allied health, military enterprises, food service and agricultural operations.

James Thomas founded the Thomas Entrepreneurship Hub in 2005 as a means for **facilitating job creation and economic development through entrepreneurship**. Though supported financially from a variety of sources, the facility continues to benefit from funding from Mr. Thomas, a Pembroke native, real estate developer and philanthropist. Mr. Thomas also provides strategic direction, currently chairing the Hub's Advisory Board in addition to serving on the Board of Trustees of UNC Pembroke.



In 2015, the Hub moved into its current home, The Thomas Center -- a 20,000 sq.-ft. building in downtown Pembroke that includes nine private offices, 16 semi-private cubicles, an Idea Lab, conference rooms and an accelerator space. A 24-seat co-working space doubles as a 120-guest

event venue for local organizations. The Hub, located in a one-time furniture store renovated at a cost of \$1.3 million, is designed to support up-and-coming entrepreneurs and small businesses across the Sandhills Prosperity Zone. The facility operates as a unit UNCP's School of Business, with participation from faculty and student interns. Dr. Barry O'Brien, dean of the School of Business, plays an active role in the Hub's management, along with Dr. Susan Peters, a Distinguished Professor of Entrepreneurship at UNCP.

The Thomas Center houses the Pembroke Chamber of Commerce as well as an office of the N.C. Small Business and Technology Development Center (SBTDC), an economic engagement program of the University of North Carolina System. The seven-person SBTDC staff provides services to businesses across a nine-county region. The Hub also operates its own Entrepreneur-in-Residence program and serves an important role in entrepreneurship education for local K-12 schools.



The Hub 's services include:

- Idea Lab and Co-working Space
- Jumpstart Accelerator Program
- Maker's Space and Prototyping Workshop
- Professional Consulting and Support
- Affordable, Private Office Space

While community engagement is engrained in its mission, the Hub's primary objective is job creation. Its goal is to foster the creation of 50 jobs each year. The Hub's engagement programs also are assessed by an annual "awareness" metric that gauges visibility. A small portion of the Hub's \$900,000 annual budget is funded through cost-recovery: office space rentals account for \$50,000 in revenue (\$500 per month, per office). While the duration of tenancy is not fixed, the Hub increases the rental amount on tenants after three years.

The Hub is guided by a 14-member advisory board that includes the Mayor of Pembroke and the Director of the Robeson County Office of Economic Development. It is now forming a regional incubator network known as the Sandhills Entrepreneurship Engagement Network (SEEN) that will link southeastern North Carolina incubators, creating additional scale, augmenting access to services and improving the regional climate for small businesses.

Funding Sources: University of North Carolina – Pembroke; U.S. Economic Development Administration; Golden LEAF; Kate B. Reynolds Foundation; NC Community Foundation; NC IDEA; Native American Trust; NC Tobacco Trust Fund; the family of James Thomas.

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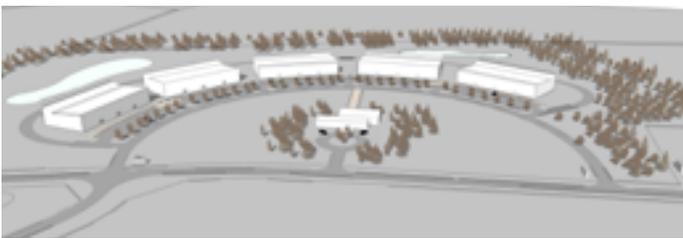


SCOTLAND COUNTY

Scotland County Business Incubator Park

In Brief: A limited inventory of available industrial buildings spurred Scotland County economic development leaders to assess real estate and financial resources and embark on the development of a 45-acre incubator park, creating in the process a revenue stream that is being reinvested into their long-range product development vision. The incubator program enables the county to offer high-quality industrial space to companies in tradable operations at a reduced rate on a triple-net leasing basis. Tenants must meet job creation milestones as part of the flexible terms, which are set for three to five years.

Small but centrally located, Scotland County is harnessing its infrastructure, available land, and access to public and private financing to build an innovative incubator model as part of its larger economic development strategy. In 2016, the county had just two industrial properties in its available product inventory. New leadership at the Scotland County Economic Development Corporation saw the scarcity as an opportunity to develop **ready-to-go space for growth-minded businesses within a ready-to-build industrial park** that could accommodate longer-range expansion possibilities.



By May 2018, local leaders broke ground on the 45-acre Scotland County Incubator Park on land purchased by Scotland County Economic

Development Corporation (SCEDC) with financial assistance from The City of Laurinburg and Scotland County. Their vision built off of the existing 12,000-sq.-ft. facility, which houses CCL Labels and offices for SCEDC. The Scotland County Incubator Park, initially calls for five turn-key industrial buildings across SCEDC's owned acreage, with an additional three to four larger buildings possible on 42 acres recently purchased adjacent to the site. Plans for the property leverage advanced infrastructure and convenient surface transportation access, including Class A rail, to major consumer markets.

Seed funding for the initiative came in part through proceeds from a purchase by Piedmont Natural Gas of a speculative building owned by SCEDC. Complementing the three entities' investment in land was an IDF-Utility Account grant, administered by the NC Department of Commerce, to provide utility extensions and road improvements.

The park's first building, at just under 20,000 sq.-ft., was completed in August 2019 at a cost of \$11



million with the assistance of a loan from First Bank. It quickly had its first tenant, Carmichael Farms, a growing agribusiness enterprise committed to investing \$26 million and employing a 50-person workforce in Scotland County. The company's leasing terms offer a discounted percent savings off the estimated \$7 to \$9 per square-foot market rate such a property would otherwise cost. The five-year arrangement can be adjusted up or down as the company achieves, exceeds or misses job-creation targets. SCEDC'S nets from the lease are reinvested into its product development program.

SCEDC, a 501(c)(3) organization, has now sought

grant funding from the U.S. Economic Development Administration to fund construction of its next building, which is expected to be 50,000-sq.-ft. in size.

Funding Sources and In-Kind Support: Scotland County; The City of Laurinburg; Industrial Development Fund-Utility Account (NC Department of Commerce – Rural Economic Development Division); U.S. Economic Development Administration; Richmond Community College, North Carolina's Southeast.

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WAYNE COUNTY

Wayne County Incubator Park

In Brief: Efforts to add 103 acres to an existing industrial park were stymied by traffic congestion and insufficient water, sewer and natural gas service. The solution was the creation of an industrial property oriented to smaller companies occupying spaces of approximately 15,000 sq.-ft. With inspiration from Bladen County's incubator model, Wayne County is now on its way to completing the first of a series of flexible incubator buildings. As home to Seymour Johnson Air Force Base, Wayne County has long sought to capture existing military personnel seeking second careers in entrepreneurship.

In 2016, economic development leaders in Wayne County conducted an inventory of existing product and identified an existing industrial park that had the potential to expand by 103 acres. The property's focus was on large catalytic employers. Further analysis of the site found traffic congestion from two nearby private schools limited the property's appeal as a backdrop for larger enterprises. The county's initial vision for the park also was limited by the lack of surplus water, wastewater and natural gas capacity needed to serve major industries.

The property was better-suited for smaller tenants – in the 15,000-sq.-ft. range. Local leaders turned to Bladen County's well-established industrial incubator park model. ***Focus on smaller firms also fits neatly into recent efforts to improve support for entrepreneurs and start-ups in Wayne County.*** LaunchGOLDSBORO, for example, provides training, mentoring, networking and fundraising opportunities for small businesses through a partnership that includes Wayne Community College, the University of Mount Olive, Downtown Goldsboro Development Corporation, the Wayne County Development Alliance, East Carolina University's Miller School of Entrepreneurship, the Wayne County Chamber of Commerce and numerous other local leadership entities. LaunchGOLDSBORO, modeled on a national program that has been successful in Detroit, Raleigh and elsewhere, welcomed its first entrepreneurial cohort in late 2019.



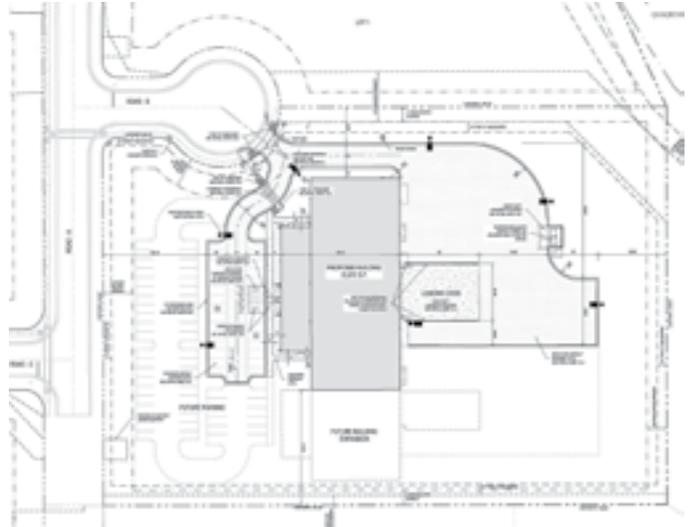
Wayne County purchased the acreage for the first of what they anticipate will be a three-phase effort to build out the 18-lot incubator park. Seven lots comprise Phase I. County leaders negotiated a five-year option on the balance of the property.

The firm of Withers Ravenel was engaged to provide engineering, layout and permitting services, and a \$1.7 million grant by the NC Rural Infrastructure Authority helped fund infrastructure improvements. Construction is underway on a 22,670-sq.-ft. shell building on Lot 1. An \$800,000 grant from the US Economic Development Administration is matching \$200,000 in local private contributions to help fund the estimated \$1.5 million to \$2.5 million total cost of construction.

Upon completion in early 2021, the incubator building will be owned and managed by the Wayne County Development Alliance.

Funding Sources and In-Kind Support:

Wayne County; Wayne County Development Alliance; NC Department of Commerce – Rural Economic Development Division; Tri-County Electric Membership Cooperation; US Economic Development Administration; local banks.



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