

**VERMILION COUNTY WORKFORCE INVESTMENT BOARD
COMMUNITY AUDIT -CHALLENGE D COMMITTEE
MINUTES OF THE JANUARY 11, 2006 MEETING
U of I Extension Office 12150 U. S. Route 150, Danville IL**

PRESENT: William Boyer Jeannie Cook Lara Conklin Jean Minick Michelle Pride Tracy Wahlfeldt

ABSENT: Scott Eisenhauer Jeff Fauver Gary Hackler Ed Hubbard Dave Kietzmann Gary Ludwig Todd Spezia

GUEST/STAFF: William Wilkinson Rita Frerichs Lori Brewster

CALL TO ORDER – Co-Champion Honorable William Boyer called the meeting to order at 3:35 PM. Introductions were done

GUEST SPEAKER: Vermilion County U of I Extension Office-Small Business Development Educator, William Wilkinson – Michelle Pride introduced Mr. Wilkinson and distributed the West Central Illinois Community and Economic Development pamphlet for November 2005.

Wilkinson stated that he has worked with incubators in the past. The University of Illinois has two and he also assisted with the incubator in Decatur, IL.

Wilkinson informed that incubators are to provide a shelter environment for business in their early stages of development by:

1. Giving the opportunity to operate a business in its own space and have its own communication
2. Providing services such as clerical, technical assistance, sharing business necessities such as office machines, communication apparatuses, equipment, and conference rooms

The design of an incubator is for start up business or a business in early stages. It is not designed for businesses that have been in existence for 15 years and looking for cheap rent, however this has occurred when the incubator has not been filled to capacity and has opened the door to anyone.

Incubators mainly fall into 4 categories:

1. Manufacturing
2. Warehouse
3. Office
4. Laboratory

Brewster informed when the Vermilion County Workforce Investment Board conducted the community audit, it identified that Vermilion County has a large number of entrepreneurs, which is one of the County's strengths. In order to build on this, the Challenge Committee has identified a need for incubators and is looking at North County, South County and Danville as possible locations. A Challenge Committee did tour the Research Park at the U of I, which gave the Committee an idea of what an incubator is. The Challenge Committee is still in the very early stages of discussing an incubator.

Wilkinson informed that the U of I has a unique incubator with a brand new building and close to unlimited funds. The Enterprise Works is not open to the public, but is open to University Faculty, Grad Students or Grad Students who have just graduated; it is a huge technology incubator. There is another Incubator located in Champaign, where the South Farms use to be located on the U of I campus, which is for research into seeds, corn, etc.

Wilkinson suggested learning about what type of incubator is necessary or needs in Vermilion County.

Brewster informed that Danville Area Community College has a Manufacturing Incubator that is already in place.

Wilkinson informed that a Warehouse Incubator would need warehousing space, docks, etc. for a small business starting in warehousing. An Office Incubator would need to have a variety of sizes for as small as a 1 to 2-person operation. Lab Incubators are another option if medical and biological research is needed in Vermilion County. A Manufacturing Incubator is limited to certain types of Manufacturing.

There are incubators that are started and do to demographics there is no one to fill them.

An incubator needs to be able to sustain itself. A not for profit incubator would be one that all the cost are funded and no profit is made.

The Decatur Incubator has tremendous possibilities with several hundred thousands of square feet available, which has office, research buildings, manufacturing and warehousing. It cost millions of dollars to put into shape to rent out the space. There are no problems with renting out the office space; the manufacturing has problems with getting tenants.

Conklin informed Alcoa and Fiberteq used DACC's Manufacturing Incubator until their company site was set up.

Conklin questioned what is the high number of entrepreneurs doing in Vermilion County and if a Retail Incubator was possible.

Wilkinson suggested looking at the banks for what types of entrepreneurs are seeking funding and that retail is difficult due to the need of shelving, inventory, and would be difficult in selling out of an office space, due to the need for a storefront. Internet retail you do not need space everything is dropped shipped.

Wilkinson informed an incubator would probably need improvements on space to accommodate those that are going to rent the space. An office needs private space for confidentiality.

The Committee discussed adding to the Challenge Matrix a new action plan to find out what types of entrepreneurs in Vermilion County, and what the needs are, what the business is.

Wilkinson stated once you find out what businesses are looking for space; there are certain amenities required in incubators to have a nurturing atmosphere. Most office incubators provide the electronics such as: fax machines, copy machines, Internet hookups, telephones, etc.

When a facility is put together, make sure it is something someone would like to use; you can predict the size, once you start identifying the entrepreneur needs.

Incubators need to be full. Tenants pay rent per month for space and services received in incubator, or a scale rent can be used.

The greater percentages of all small businesses in the United States are woman, and a lot of those businesses are home based.

Wahlfeldt spoke of a study done by Milikin, which had a regional focus, but Vermilion County was not included. The study showed that mid-westerners are least likely to take risks. Casey Rooney from Champaign had a copy.

Pride informed that the U of I Extension building has two large rooms in the back, Internet capabilities, electricity, and handicap accessible restrooms. Pride is investigating into the possibilities of sharing a secretary.

Wilkinson suggested:

1. Getting a feel for types of businesses in Vermilion County
2. How far the radius is around Danville in filling the incubator
3. Buildings that are available
4. Talk to the Decatur Incubator – their office space is always full and the incubator has been there for 10 years.
5. The Cost to put an office building in usable condition; the investment and the return on investment
6. Is there a need

If there is not a high technology need in Vermilion County you would not want to build a high tech incubator.

The U of I built a high tech incubator because the realization of the “brain drain” that was graduating and leaving the area.

The Committee held discussion on a service incubator, but the cost of this would be great.

Wilkinson suggested visiting Decatur and checking in Robinson Illinois, the Lincoln Trail Community College. There is also an Incubator Association for actual information at www.nbia.org.

There were no more questions. Brewster thanked Mr. Wilkinson for coming in and speaking to the committee. Due to the time and the fact Boyer needed to leave Brewster suggested to post-pone the rest of the agenda until the next meeting. The committee informally agreed to post-pone the remainder agenda items.

Review Challenge D Goals & Objectives and Discuss Collapsing - Post-Pone until next meeting.

Review Priorities 1-4 Goals & Action Plans and Identify Those Completed — Post-Pone until next meeting.

Discuss Benchmarks, Measurements, and Responsibilities for Goals 1–4 - Post-Pone until next meeting.

COMMENTS – Pride offered everyone a tour of the facility.

NEXT MEETING – No meeting was set.

ADJOURNMENT – The meeting was informally adjourned.