

Hatch Innovation Hub

RFP for Coronavirus State and Local Fiscal Recovery Funds

Glackin

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Application Form

Question Group

Buncombe County requests proposals for projects to help the community recover from and respond to COVID-19 and its negative economic impacts.

Buncombe County has been awarded \$50,733,290 in Coronavirus State and Local Fiscal Recovery Funds (Recovery Funding), as part of the American Rescue Plan Act. This infusion of federal resources is intended to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Buncombe County is committed to investing these funds in projects that:

- Align to county strategic plan and community priorities
- Support equitable outcomes for most impacted populations
- Leverage and align with other governmental funding sources
- Make best use of this one-time infusion of resources
- Have a lasting impact

Proposals shall be submitted in accordance with the terms and conditions of this RFP and any addenda issued hereto.

[Click here for the full terms and conditions of the RFP](#)

Coronavirus State and Local Fiscal Recovery Funds*

Name of Project.

Hatch Innovation Hub

Amount of Funds Requested*

\$3,000,000.00

Recovery Fund Eligible Category*

Please select one:

Small business and non-profit support

Brief Project Description*

Provide a short summary of your proposed project.

The Buncombe startup community is fragmented and confusing for newcomers to navigate. Individuals find it difficult to identify where to find support through mentorship, financing, peer groups, or events. Our community's assets are impressive - just look at the work of Venture Asheville, SBTDC, Hatch AVL, or

Mountain BizWorks. But without a central hub for entrepreneurial activity in the region, we will never achieve the density and productivity of ecosystems in Raleigh/Durham or Charlotte.

HatchAVL has partnered with Venture Asheville, and is reaching out to other key small business and entrepreneur support organizations including the Pisgah Fund, Mountain Bizworks, and Eagle Market Streets Development Corp. to create an Innovation Hub at 45 S. French Broad Ave. The 40,000sf facility will house startups, coworking space, outreach and education space, offices for resource providers, a cafe, restaurant, and distillery. In this proposal we will detail our scope, budget, and potential.

Project Plan*

Explain how the project will be structured and implemented, including timeframe.

Hatch & Venture Asheville have partnered to begin the process of building the Hub. They are now reaching out to key startup support organizations in Asheville, for example Mt BizWorks & Eagle Market Streets Development Corp. Several strategies are emerging:

1) Get as many startups and support organizations under one roof as possible. By co-locating, day-to-day collaboration and ease of navigating the support system will significantly increase. The Hatch headquarters at 45 S French Broad Ave will expand by the end of 2021, from 12,000sf to nearly 40,000sf. The building now houses several startups and a coworking space that doubles as an event space. Hatch seeks to add more offices, an improved event space, classrooms, and a student incubator space, to be completed by mid-2022. We anticipate funding the expansion of the SWIFT APP School, a MS and HS program providing the skills required for app development, and an example of a self-propelled talent development strategy to begin students on career paths in tech.

2) Upfit the building with the technology and facilities to attract startups and entrepreneur support organizations into flexible spaces that can be used for events, education, and work. This investment in infrastructure will make room for hundreds of people to collaborate and increase the accessibility for individuals from any background to become entrepreneurs.

3) Align and expand the programming and educational offerings between the multiple support organizations, combine overlapping programs, and offer compelling new programs to meet the post-COVID needs of entrepreneurs. This will allow pooling of our mentor lists to provide the right mentor to each founder. This will eliminate redundancy and increase the quality of events and trainings.

4) Create a single marketplace to provide capital to startups. The marketplace will address the issue that founders struggle to find investors, and investors struggle to find deal flow. The capital marketplace will become a "one stop shop" to facilitate these introductions. A Pitch Studio will enable access to capital networks outside our region. The studio will also be used as a training facility for entrepreneurs and use as a high quality pitch space.

5) Funding for a match program to encourage private investment in growth-stage companies in Buncombe County. NC Dept of Commerce has decades of matching SBIR and STTR funding for private companies through the One NC Small Business Program. Similarly, the NC Angel Tax Credit (being debated in the Fin Comm; sponsored by Rep. Brian Turner) created a 7.4x return on state dollars through follow-on investments. ARP presents an opportunity to further push our local startups and accelerate their growth by matching private investment from Angel and Venture Groups. This matching fund can be managed by the Innovation Hub, creating job training opportunities in venture finance.

This is a 3 year project, with a significant front end loading of the efforts.

Statement of Need*

Describe the need that this project will address. Include data to demonstrate the need, and cite the source of the data.

Creating a new business is tough, especially early on when there is no or little revenue, when it's tough for a founder to attract talent, mentors and investors. At the Hatch Innovation Hub, we understand the power of "paying it forward" to these fledgling companies, that is providing world class education, mentorship and networking to founders through a non-profit foundation, rather than founders relying solely on for-profit venture groups or incubators. The Hub model can be expanded into the far reaches of WNC, wherever a founder needs guidance.

Founders need this support, and our community needs founders, as the startups and small businesses founders create are the only reliable means of new job creation. This is even more critical as our region recovers from the economic impact of COVID. The Hatch Innovation Hub will provide support to entrepreneurs in a place, with programming designed expressly for them, and people who can support and guide the founders through an otherwise daunting process.

Link to COVID-19*

Identify a health or economic harm resulting from or exacerbated by the public health emergency, describe the nature and extent of that harm, and explain how the use of this funding would address such harm.

The COVID pandemic has hurt the regional economy, and pointed out the over-reliance of the region on tourism. Western North Carolina (WNC) needs to grow businesses across key business sectors such as digital tech, health and wellness, climate, bio-tech, outdoor tech, food and beverage, and others to decrease the region's reliance on tourism and grow a stronger long-term economy. Many small businesses were forced to close during the pandemic, but others will start up with life slowly returning to normal.

Covid-19 has strained the financial output of the region and led to increased unemployment. Hatch is well positioned to support the region's financial recovery through the support of startups and new businesses. Both are proven jobs creators. Specifically, Hatch would seek to "save existing businesses that should be saved" and are only struggling due to Covid impacts, in addition to the pre-Covid approach of "grow businesses that should be grown."

The pandemic has also highlighted the multiple groups of aspiring entrepreneurs that have been historically under-resourced, such as women, people of color and those in rural areas. While Asheville and WNC are fortunate to have many support organizations with the ambition to support entrepreneurs, the many offerings are disconnected, and have proven difficult for entrepreneurs to navigate. The Hatch Innovation Hub is Asheville and Western North Carolina's non-profit resource for innovation, serving the needs of ALL entrepreneurs seeking to build high growth businesses. The Hub represents the best of the region's entrepreneur support organizations, such as the Hatch AVL Foundation, Venture Asheville and Mt Bizworks, with other organizations being asked to join the hub in an ongoing campaign.

Population Served*

Define the population to be served by this project, including volume and demographic characteristics of those served.

The Hatch AVL Foundation is a 501(c)(3) non-profit based in Asheville, NC. The Hatch Innovation Hub seeks to drive economic opportunity and job creation in Western North Carolina by mentoring and educating ANY entrepreneur who seeks to build high-growth businesses. Further, Hatch seeks to use the power of this economic growth to make a large and significant impact on the community, its vibrancy and inclusiveness.

The Hatch AVL Foundation currently delivers its mission across the region from its drawing from the strength of its physical location in Asheville. Hatch delivers this mission with a team of experienced mentors and founders, using world class programming and expertise.

Since inception in 2016, the Venture Asheville and Hatch AVL Foundation mentorship programs have facilitated over \$82M in revenue, 276 net new jobs with an average salary of \$61K (the county average is \$41K), and \$25.5M in capital investment.

Results*

Describe the proposed impact of the project. List at least 3 performance measures that will be tracked and reported. If possible, include baselines and goals for each performance measure.

The Hatch Innovation Hub has the following 5-year goals by supporting the establishment or scaling of high growth potential startups. These are all measurable on an annual, semi-annual, or quarterly basis.

- 1) Facilitate 500 well paying jobs
- 2) Deliver \$100 Million in combined annual revenue to the regional economy
- 3) Startups receive \$20 Million in capital investment
- 4) Do this in a welcoming and inclusive way for ALL founders and their teams

The Innovation hub will follow regular founder entry, exit, and follow-up surveys and will track both qualitative and quantitative impacts over the lifetime of the grant and beyond.

Evaluation*

Describe the data collection, analysis, and quality assurance measures you will use to assure ongoing, effective tracking of contract requirements and outcomes.

Building from Venture Asheville's successful best practices, the Hatch Innovation Hub plans annual assessment of progress vs the performance measures listed above, as well as salaries, entrepreneurial competencies, and connectivity. Further, at the conclusion of each event or program, we conduct consumer satisfaction surveys with participants, in order to fine tune and improve our offerings.

Equity Impact*

How will this effort help build toward a just, equitable, and sustainable COVID-19 recovery? How are the root causes and/or disproportionate impacts of inequities addressed?

A lack of generational wealth is a large deterrent to founders and the startups they seek to create. Early investments typically come from friends and family, and if a founder grows up in a network lacking this

generational wealth, they are at a huge disadvantage. This is especially true for founders of color where generational wealth is roughly 1/10 that of white founders. Additionally, for-profit investors are typically reluctant to invest in a startup that is pre-revenue or with low revenue.

Using its non-profit approach, the Hatch Innovation Hub specifically focuses on these historically under-resourced founders. The Hub seeks to close this resource gap by providing space, programs, education, mentorship, access to a capital, and its own micro-grants. Access to capital will be directly addressed through the Capital Marketplace, with expected participation from support organizations such as Eagle Market Streets, YMI Cultural Center, SBTDC, and Mt BizWorks.

Project Partners*

Identify any subcontractors you intend to use for the proposed scope of work. For each subcontractor listed, indicate:

- 1.) What products and/or services are to be supplied by that subcontractor and;
- 2.) What percentage of the overall scope of work that subcontractor will perform.

Also, list non-funded key partners critical to project.

Space Retrofit = 72.3% of total scope: Contractors, Subcontractors and Materials, to deliver renovated offices, collaboration space, event space classrooms, student incubator, pitch studio and pop-up retail space.

Annual Site Maintenance = 2.3% of total scope: Contractors for building maintenance, cleaning, etc.

Programming, Education and Events = 6.5% of total scope: Event Staff, Rentals, Marketing Expenses, Educational Content Development.

Seed Funds = 7.5% of total scope: Micro-grants, prizes, scholarships

Hub Staff = 11.4% of total scope: Operations Leader, Event Coordinator, Social Media Coordinator, Fundraiser, Bookkeeper.

Capacity*

Describe the background, experience, and capabilities of your organization or department as it relates to capacity for delivering the proposed project and managing federal funds.

The founding partners of the Hatch Innovation Hub, the Hatch AVL Foundation and Venture Asheville, have run an intentionally lean operation during our early learning years. After 5 years of piloting and test marketing our offerings, we have two experienced organizations, and an experienced core board. The Hatch AVL Foundation recently expanded its board from 6 to 10 members, and has added 2 part-time paid contractors, one for event coordination and another for fundraising. Hatch AVL has standing committees for Executive Operations, Fundraising, Programming and Storytelling. The recent partnership between Hatch AVL and Venture Asheville adds 3 paid resources to the mix from Venture Asheville. Our building landlord has a proven track record of upfitting commercial buildings and has access to his experienced team of contractors and subcontractors. Net, our learning to date has built a solid operating team, that can be scaled to deliver the expanded mission of the Hatch Innovation Hub.

Budget*

Provide a detailed project budget including all proposed project revenues and expenditures, including explanations and methodology. For all revenue sources, list the funder and denote whether funds are confirmed or pending. For project expenses, denote all capital vs. operating costs, and reflect which specific expenses are proposed to be funded with one-time Buncombe County Recovery Funds.

Download a copy of the budget form [HERE](#). Complete the form, and upload it using the button below.

Recovery-Funds-budget-template.xlsx

Special Considerations*

Provide any other information that might assist the County in its selection.

Innovation Hub Press Release.docx

While the Hatch AVL Foundation has been in operation since 2017, the “Hub” plan is still relatively new. We need to continue to drive awareness of our Hub ambition and enlist all like-minded and willing partners. This includes founders, mentors, support organizations, service providers, universities, community colleges, and many more.

To achieve the Hub ambition, we are seeking funding for this 3 year project to build out our expanded space, to develop new programming, and to fund the staff support needed to deliver our offerings. The ultimate reach of the project will be dependent on the number of partners we attract, the number of programs the partners run, and the funds we can raise. An infusion of \$3,000,000, over 3 years enables a significant step up in mission, energy and scope, that will attract the needed partners and founders.

Comments of support from the Hatch Innovation Hub’s Press Release :

Speaking of funders, the Pisgah Fund, a new \$50M health innovation fund supported by the Dogwood Health Trust and HCA, will be one of the first tenants in the Hatch Innovation Hub. “We are excited to be where the action is and to identify opportunities early that we can grow through our strategic investments” said Fund Manager Lauren Flickinger.

Additional partners potentially joining the Hatch Innovation Hub are the North Carolina Biotechnology Center, Small Business Technology Development Center, Mountain BizWorks, Shining Rock Ventures, Riverbird Research, and more groups to be identified.

File Attachment Summary

Applicant File Uploads

- Recovery-Funds-budget-template.xlsx
- Innovation Hub Press Release.docx

Coronavirus State and Local Fiscal Recovery Funds Proposed Project Budget

Organization Name:	Hatch AVL/Glackin
Project Name:	Hatch Innovation Hub
Amount Requested:	\$3,000,000

Proposed Project Revenue Funder	Amount	Confirmed or Pending?	Notes
Proposed Buncombe COVID Recovery Funds	\$ 3,000,000.00	Pending	
Dogwood Health Trust	\$ 3,000,000.00	Pending	Application complete
Golden Leaf Foundation	\$ 1,500,000.00	Pending	Application due in September
Z Smith Reynolds Foundation	\$ 500,000.00	Pending	Currently in discussions with impact officer; next step is application
List other sources here			
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Total	\$ 8,000,000.00		

Proposed Project Expenses	Proposed Recovery Funds	Other Funds	Total	Capital or Operating Expense?	Notes
Retrofit Space at 45 S French Broad Year 1	\$ 1,294,500.00		\$ 1,294,500.00	Capital	
Retrofit Space at 45 S French Broad Year 2	\$ 500,000.00		\$ 500,000.00	Capital	
Retrofit Space at 45 S French Broad Year 3	\$ 375,000.00		\$ 375,000.00	Capital	
Maintenance over 3 years	\$ 69,000.00		\$ 69,000.00	Operating	
Programming, Education, and Events Costs - 3 years	\$ 196,000.00		\$ 196,000.00	Operating	
Seed Funding, Micro-grants, prizes, scholarships - 3	\$ 225,000.00		\$ 225,000.00	Operating	
Staffing - event coordinator, social media coordinator, fundraiser, bookkeeper - 3 years	\$ 340,500.00		\$ 340,500.00	Operating	
List expenses here			\$ -		
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Total			\$ 3,000,000.00		

Contact

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Release Date

July 15, 2021

HATCH INNOVATION HUB EXPANDS INTO SPACE VACATED BY AN ASHEVILLE GROCERY STORE

Venture Asheville and the Hatch AVL Foundation join forces as the founding partners of the Hatch Innovation Hub.

ASHEVILLE, NC, July 15, 2021 – Upcoming vacancy on S. French Broad will be turned into a regional hub for startups, entrepreneurs, creatives, and innovators. The vacant 40,000 square feet of space will be filled by the Hatch Innovation Hub, led by a new partnership between the Hatch AVL Foundation and Venture Asheville.

Venture Asheville and the Hatch AVL Foundation both share a mission to support and grow the entrepreneurial ecosystem. Historically, the building at 45 S. French Broad was known as the Hatch Building, and has been home to several tech companies (Anthroware, Plum Print, Galaxy Digital, LoLo), HatchWorks coworking, Little Bee Thai restaurant and a coffee shop.

“We’ve been testing and learning about our entrepreneurial support offerings over the last four years, and now with this partnership and direction, we are poised to exponentially increase our impact.” said Hatch AVL Founder and Chairman, George Glackin. Glackin said Hatch’s brand of support comes in the Three P’s: Place, Programming and People. “An advantage of Asheville’s and Western North Carolina’s ecosystem is the amount of talent and availability of mentors. Our expanded place allows us to bring more startups and founders under one roof, and more effectively deliver the programming and mentorship they need.”

Venture Asheville’s portfolio of startups mentored and funded is impressive. With over 275 jobs created at an average salary of \$61K per year, over \$82M in revenue earned, and \$25.5M raised in angel and venture capital, this partnership will give Venture Asheville a place to call home. “We operate out of the Chamber of Commerce’s office, as we are part of the Economic Development Coalition. But every strong startup ecosystem has a home base, a physical building, acting as the center of gravity. In Durham, that’s American Underground. In Charlotte, Packard Place. In Nashville, the Nashville Entrepreneurship Center. The Hatch Building, expanding into the Hatch Innovation Hub, creates our community’s center of gravity and focus of activity “ said Director of Venture Asheville, Jeffrey Kaplan.

In addition to work space for startups, there’ll be more collaboration space for meetings, training, events, education, and even a high-tech pitch studio. “The pandemic forced a digital transformation of how capital operates. Funds are now much more open to investing in startups nation-wide. It’s our responsibility to make sure that our founders present well and are well prepared, and to make sure we have relationships with funders to meet the local demand.”

Speaking of funders, the Pisgah Fund, a new \$50M health innovation fund supported by the Dogwood Health Trust and HCA, will be one of the first tenants in the Hatch Innovation Hub. “We are excited to be where the action is and to identify opportunities early that we can grow through our strategic investments” said Fund Manager Lauren Flickinger.

Additional partners potentially joining the Hatch Innovation Hub are the North Carolina Biotechnology Center, Small Business Technology Development Center, Mountain BizWorks, Shining Rock Ventures, Riverbird Research, and more groups to be identified.

Hatch AVL and Venture Asheville are leading the recruitment and fundraising for the Hatch Innovation Hub. For more information or to get involved please contact Jeffrey Kaplan at jkaplan@ventureasheville.com

About the Hatch AVL Foundation: The Hatch AVL Foundation is a 501(C)(3) non-profit organization led by startup founders, corporate execs, and volunteers dedicated to helping startups throughout Western North Carolina.

About Venture Asheville: Venture Asheville is the high-growth entrepreneurship initiative of the Economic Development Coalition for Asheville-Buncombe County and the Asheville Area Chamber of Commerce. We build entrepreneurs and get startups funded through mentorship, financing, and events.