



ENTREPRENEURIAL & TECHNOLOGY CENTER

CLIENT HANDBOOK

December 2011

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OVERVIEW

Welcome to the Shelby County Entrepreneurial & Technology Center and Small Business Assistance Program. You have joined a business support program that accelerates the successful development of start-up and fledgling companies by providing an array of targeted resources and services. The Entrepreneurial & Technology Center's main goal is to provide assistance to increase growth potential, resulting in a self sustaining, profitable company. One of the biggest means of assistance is providing space in the Entrepreneurial & Technology Incubator.

The Entrepreneurial & Technology Center's (ETC) mission is to support the launch, growth, stabilization and long-term success of business enterprises in Shelby County and the region. As a participant in the business development program, you will have access to management guidance, technical assistance and consulting tailored to young growing companies. Clients also have access to appropriate rental space and flexible leases, shared basic business services and equipment, technical support services and assistance in obtaining the financing necessary for company growth.

A basic outline of the services and support available to you is summarized in this handbook. Keep in mind that some of the most valuable rewards to participation in the program come from the community of entrepreneurs who surround you every day. Please take advantage of your peers and of the staff here at the ETC. We can all contribute to the success of your company.

LOCATION:

The Center is located 10 miles north of I-80 exit 40 on Highway 59. We are joined at the campus with the Iowa Western Community College (IWCC) and our address is: 1901 Hawkeye Avenue in Harlan, IA. In addition to the main Shelby County DevelopSource Office, Suite 101, approximately 9,500 square feet of leasable space is available in **300 square foot units** with adjacent parking areas.

Program participants may use the following TEMPORARY information for mail, stationery, telephone listing, etc.

Your Company Name
1901 Hawkeye Avenue, Suite 101
Harlan, IA 51537
712 755-3569
712 733-8921 (FAX)

SMALL BUSINESS INCENTIVES AND OPPORTUNITIES

Rebates from State Sales and Use Tax are available to small businesses i.e. computers, software delivered electronically; most temporary services and recycling equipment. Also, the ETC has access to a revolving loan fund and available financing through several other loan funds for qualified applicants. We can expand on this as we receive more information from the State of Iowa and other sources.

PROGRAM ENTRANCE POLICY

The Entrepreneurial & Technology Center provides services to a wide range of entrepreneurs, however to apply for the program, the applicant business must meet **one** of the following:

- A business start-up, in operation for less than 2 years.
- A business that has undergone substantial change in ownership within one year of application date.
- A home-based business that is ready to transition to a professional environment.
- A company which will utilize their space in the incubator solely for the Research and Development of a new and innovative product or service.
- A business that has potential to serve or provide services/products regionally, intrastate, or internationally.

PROGRAM REQUIREMENTS

Admittance: Businesses engaged in a wide variety of functions including technology, some light manufacturing, distribution, culinary, or service activities can apply for admittance to the Business Development Program and Business Incubator. The center is not conducive to retail or total warehousing activities, although it is acceptable for small businesses to engage in a reasonable amount of retail sales and storage. Admission to the program is based on the following criteria: the need for and interest in the development program; capacity of principals to be successful; uniqueness of product or service; potential for job creation and/or retention; portion of the expected revenue that is derived from outside Shelby County; and connection to targeted industry clusters within the center, community, and region. Interested businesses are required to complete and submit an Application for Admittance. The Application is reviewed by program management and is subject to approval by the DevelopSource (DS) Board of Directors. Lease Agreements shall be finalized by the DevelopSource Board of Directors. When applicable, every attempt is made to assist any rejected applicant in taking corrective actions necessary to resubmit an application.

REQUIREMENTS

Applicants must agree to participate in the Program, which includes a commitment to:

- Attach a completed Business Plan with the application. Assistance in completing the Business Plan is available through Shelby County DevelopSource.
- Meet at a minimum, quarterly with DS staff and provide them with up-to-date financial statements for the purpose of evaluating applicant's financial performance and reporting aggregate numbers.
- Encouraged to enroll or attend business related classes or workshops offered by IWCC.
- Encouraged to attend networking events locally, regionally or statewide.

COST

Prices for spaces are graduated on a 3 year schedule. During the first year, applicant **pays 33 1/3 %** of Fair Market Value (FMV). Each year, applicant pays an additional **33 1/3%** of FMV, ultimately paying 100% during their third year and successive years. Minimum rent payments on all spaces are \$150 per month. Utilities (power, gas, water, sewer, trash) are included. Note: FMV shall be determined each successive January 1st by the DS Board.

LEASE AGREEMENT

The typical Incubator company and its principal owner (s) enter into a formalized lease agreement. Short-term month-to-month rentals (up to six months) may be considered, assuming appropriate space availability, in situations involving pre-start-up or pre-expansion, feasibility studies, business/marketing/financial plan development, facility readiness, etc. Lease agreements provide reasonable flexibility in allowing the Client Company to expand or retract within the Entrepreneurial & Technology Center, or to move to another facility at an appropriate time. Space will be tailored to individual business needs and clearly partitioned without interfering with building heating and ventilation systems. Client Companies must agree to consult regularly with DS staff, who provides ongoing assistance to establish a plan for technical assistance and training.

CLIENT GRADUATION POLICY

Companies may graduate from the ETC Program if program management determines the company has met on or more of the following conditions:

- The Client Company has completed 3 to 5 years in the Center Program.
- The Company is financially stable, and has steady positive cash flow.

- Space requirements of the business exceed Entrepreneurial & Technology Center Campus capacity.
- The company is in need of additional space and the center is unable to provide it.
- Ownership of the Company changes significantly since acceptance into the program.
- The Client Company provides appropriate notice as prescribed in the Lease Agreement for occupancy.

MANAGEMENT ASSISTANCE

Consulting:

The Executive Director, program managers, support staff and other consultants provide ongoing assistance to Entrepreneurial & Technology Client Companies (ICC) for technical help and training. Consultations range from quick answers on accounting issues to help in launching a new product or service. DS is poised to offer a broad range of business assistance based on complimentary programs offered on site.

Iowa Western Business Development Center and the Small Business Development Center (SETC) provide business consulting and technical assistance as well as workshops, to Shelby County's small business communities. The SETC can provide information on licensing, legal issues, finance, marketing, intellectual property, and more. Contact DS Staff to make an appointment or reserve space in a class.

Financial Assistance is available through the Shelby County Growth Assistance Program for low interest short-term loans to help finance small business/industry start-up or expansions. Please contact Director at the DS office or check the website www.developsource.com for instructions and applications.

In addition to our in-house services, DS is tied to local, regional and state networks, enhancing our ability to provide assistance. Contact the DS Director for a referral.

- IWCC Entrepreneurial Center assists DS with various projects.
- Advisory committees shall be developed for each business to provide access to outside experts. The Business Owner and DS's lead consultants determine the areas where the applicant could benefit from outside input.
- Experienced and specialized Small Business counselors are recommended and are available for many projects.

Marketing Assistance: The DS Director or Administrative Assistant can assist Center Clients with marketing issues including press releases and development of brochures and websites.

Activities and Resources: The Entrepreneurial & Technology Center Clients benefit from the contact with other small business entrepreneurs within the facility. In addition to daily contact opportunities, the Center may provide quarterly networking events that are free to the Clients.

Training classes – Offered through the IWCC, classes can cover such topics as bookkeeping & financial statements, beginning and intermediate computer classes, tax preparations, etc. and available often times at reduced rates for Entrepreneurial & Technology Center clients and their employees.

Intensive Projects – From time to time, companies have intensive projects with which they need assistance. This may involve the use of interns or other specialists brought in for that purpose.

Trade shows and showcases – Through the Entrepreneurial & Technology Center program, the Center's Business Gallery encourages clients to showcase and display products and information.

Open Houses and Socials – Offered during the year, center clients are encouraged to work with the DS Director and Assistant in scheduling social events to attract more opportunities and showcase products.

National Business Incubation Association (NBIA) – Entrepreneurial & Technology Center Clients can take advantage of the following NBIA member privileges: discounted payroll services, insurance products specially designed and priced for small business, low cost bankcard processing, discounted rates on market information, and many other services.

Chamber of Commerce Membership – ETC Clients are encouraged to join the Chamber of Commerce.

ADMINISTRATIVE SERVICES

Telephone Answering – Entrepreneurial & Technology Center Clients who use the DS telephone system may forward phones to the Front Desk for answering. Contact the DS Director to schedule hours for normal business practices.

Receptionist – Entrepreneurial & Technology Center Clients may receive administrative services dependent on the time and capabilities of the Administrative Assistant. Services may include light secretarial, typing, word processing. Additional hours may be negotiated for a fee. Contact the DS Director regarding these issues.

Mail – All mail to Entrepreneurial & Technology Center Clients arrives from the US Postal Service. The Administrative Assistant will distribute any mail that arrives in bulk to business clients. Each business client may receive a new suite number for private business mail delivered by the Postal Service with a new box at the mail cluster boxes on Hawkeye Avenue. Center Client is responsible for mail box cost.

Shipping – UPS & FedEx deliver daily to the Center. This makes it easy for companies that do not have full-time office staff to receive packages. You may request direct delivery to your premises by contacting the carrier. You may arrange for pickup of outgoing packages by contacting the carrier. All outgoing

packages must be arranged with the carrier and brought to the Front Desk or a designated pickup site. Carrier info: UPS – www.ups.com; FedEx www.tedex.com or 1-800 463-3339

SHARED-USE EQUIPMENT

The following equipment is available to Entrepreneurial & Technology Clients at no cost, unless otherwise indicated:

Telephone System – Harlan Municipal Utilities provides excellent phone communication and internet service. Please contact their offices at 712 755-5182. Telephone costs are Client's expense.

Copy Machines – Available in DS office on a reservation basis. Client Companies are charged \$.05 per single-sided copy and \$.10 for double-sided copies. Management reserves the right to impose maximum usage limits.

FAX Machine – available at the Front Desk. Charges are assessed for long distance faxes only.

Computers – Not available at this time. DS can provide necessary computer and software upon request and determine charges.

Typewriter – Available at the IWCC, please contact the College Director

Postage Scale – Available at the IWCC, please contact the College Director

Lap-top computer, projector and screen are available through IWCC; please contact the College Director

Conference room and TV access – please schedule with DS Director and IWCC Director

Vacuum Cleaner – Available at DS Front Office

INTERNET ACCESS

The Entrepreneurial & Technology Center is equipped with fiber connections through Harlan Municipal Utilities. For more details and costs, please contact HMU at 712 755-5182

ACCESS TO PREMISES

Keys:

The Center is responsible for keying all spaces and will provide a Client with up to three keys for the premises. The Client business will pay \$3 for each additional key. No Client shall alter any lock or install a new or additional lock or any bolt on any door of its premises. Should the Client fail to return all keys, the Client shall pay the cost of rekeying the space. The Client shall provide the ETC with an updated list of key holders at all times. The Center shall provide keys to any common areas for the Clients use as appropriate.

SECURITY

DS assumes no responsibility for the security of the property or the personal property of the Client, its employees, or invitees. The main gallery is used for public access at 7:45 a.m. and close at 11:00 p.m. for IWCC students. Each Client shall see that the doors of its premises (including exterior doors of occupied building) are closed and securely locked upon exit each day.

COMMON AREAS

In addition to the premises, the Client shall have a non-exclusive right to access common areas as the DS Director determines to be necessary to the uses of the premises, including break rooms, restrooms, copier and fax locations. The Client may, at no charge, reserve access to conference/meeting rooms and training rooms as available. The sidewalks, passages, exits, and entrances of the premises shall not be obstructed by any of the Clients or used by them for any purpose other than for ingress to and egress from their respective premises.

INSPECTION AND REPAIRS

DS Staff or its agents may enter the premises at any reasonable time in order to inspect them. If Client deems any repair necessary for which the Client is responsible, DS may demand that the Client perform the repair. If Client refuses or neglects to make the necessary repair in a reasonable time, DS may enter the premises at reasonable times to install or repair pipes, wires or other appliances or to make any repair DS deems essential to the use and occupancy of the other parts of the Building.

TOURS

Shelby County DevelopSource is an organization supporting business development within Shelby County and region, tours of the property are frequently provided to government officials, students, prospective clients and others. As tours can be a marketing tool for the Client, Clients shall accept and provide support for tours as business allows. Every effort shall be made by the ETC staff to provide notice to a Client prior to occurrence of such tours.

PARKING

Parking is available for serviceable business-related passenger vehicles with current Iowa registrations that are moved at least once during each 7 day period. The Center may require specific areas to be designated for Client customers, invitees or employees.

CARE OF PREMISES

Smoking – Is not permitted inside any building on the property. Smokers must dispose of all waste in the appropriate receptacle.

Maintenance:

DS shall be responsible for routine maintenance i.e. Business Gallery, entrances to the building, sweeping of parking areas, landscaping, etc.

Repairs & Alterations:

The Client shall not perform any act or carry on any practices that may injure the premises or be a nuisance or a menace to other Clients on the property. A Client shall, at its own expense, keep the premises in good repair, and will, at the expiration of the Lease Agreement, leave the premises in like condition as when taken, reasonable use and wear thereof and damage by the elements accepted. The Client shall not make any alterations, additions or improvements to the premises without the DS Board of Directors or Executive Director's written consent. A written plan showing the proposed alterations must be submitted and approved by the DS Board of Directors or Executive Director prior to alterations commencing. This submission should address who will perform the work, what is the purpose of the alteration, how jobs or profits will be affected and how the alterations will be paid for. Licensed contractors shall perform any electrical work. It is the policy of the DS Board not to provide 100 % funding participation in the alterations requested by the Client. Contribution to cost, if any, the ETC will negotiate with each Client based on the relative benefit and/or burden of the alterations. For improvements over \$500, the ETC may negotiate to amortize leaseholds for the Client. All alterations, except movable office furniture and trade fixtures put in at the Clients expense, shall become the property of the Center at the termination of the Lease Agreement. Clients covenants to pay as they become due all just claims for the labor and materials used in making any such additions, alterations, or improvements and to indemnify and hold the ETC harmless of and from all costs, expenses, and damages, including reasonable attorneys' fees and costs of suit, arising out of or connected with any statutory or other liens against the premises, and its servants, agents, and employees, to observe and keep all necessary rules and regulations of the building or the property for or on account of such labor and materials. The Client covenants both for itself and its servants, agents, and employees, to observe and keep all necessary regulations of the building which affect said premises and will at its own cost and expense make any and all necessary alterations or changes in the premises which may be necessary because of any act of the city, state or government body. Upon the failure of the Client to make or proceed to make, any such changes or alterations within thirty (30) days after being required to by any other rule, regulation or ordinance above referred to within then (10) days of the receipt of said order or notice, then ETC may enter the premises at its option and do and perform said alterations or make such changes at the cost and expense of the Client, which said expense shall be deemed as rent and added to the next monthly installment of rent then accruing and be collectable as such.

Trash & Recycling:

Trash and recycling services are included in the monthly rent. Clients shall place trash generated from normal business use in appropriate receptacles on the property. Dumpsters are located on the southeast side of the IWCC parking lot. Recycling of cardboard, newspapers, magazines, aluminum cans are encouraged and a separate container must be requested through our Sanitary Disposal Contractor. Clients with extraordinary trash needs can arrange additional pickups for services at the Client's expense.

Lighting:

The Center shall be responsible for maintenance of lighting systems in common and exterior spaces as well as maintenance of ballasts in all spaces on the Property. Light bulbs and changing thereof shall be the responsibility of the Client. A Client may request assistance from the DS staff and will be billed for services except in extraordinary circumstances as determined by the DS Director.

Signage:

The ETC shall provide uniform signage for the Client outside the premises. No other signage is permitted without express written consent of the DS Board, although permission shall not be unreasonably withheld.

Vending:

Vending machines are provided and maintained in the IWCC portion of the facility. Clients, its employees or guests may not install other vending equipment on the premises nor tamper with existing equipment. Extraordinary damages shall be the responsibility of the Client.

Quiet Enjoyment:

All Clients have the right to peaceably and quietly have, hold and enjoy the premises for the duration of the Lease Agreement. No Client is permitted to disturb the quiet enjoyment of another outside the normal course of business. Loud music is an example of such disruption.

DISCONTINUATION OR EXIT

Clients may be asked to leave the program and the premises for any one of the following reasons:

The Client business closes.

Client repeatedly fails to adhere to the covenants prescribed in the Lease Agreement

Client falls more than one month behind the lease payments.

RULES AND REGULATIONS

The DS Board hereby agrees that the preceding covenants are for the benefit of each Client and the operation of the entire ETC Program. The DS Board is authorized to create these covenants and may change them at their option. DS Board reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for the safety, care and cleanliness of the premises, and for the preservation of good order therein.

DS Board may waive any one or more of these Rules and Regulations for the benefit of any particular Client but no such waiver by DS Board shall be construed as a waiver of such Rules and Regulations in favor of any other Client, nor prevent DS from thereafter enforcing any such Rules and Regulations against any or all o f the Clients of the Premises.

These Rules and Regulations are in addition to and shall not be construed to in any way modify, alter or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of the premises.



Approved by the Board of Directors on February 9, 2010

Rick Burchett, Chairman

Appendix A

2010 Pricing Policy

The purpose of the ETC Program is to assist new, expanding small businesses by providing affordable space, shared administrative/office services and equipment. Our goal is to help businesses succeed, creating new jobs and bringing new dollars into the area economy. First year clients pay 33 1/3% Fair Market Value (FMV), second year, clients pay an additional 33 1/3% of FMV, and the third and last year an additional 33 1/3%. Anchor tenants (those fitting within the traditional mission of the Program) shall pay 100% of FMV or a higher negotiated rate. All tenants pay an additional Program fee of \$30 per month.

LEASE RATE CALCULATION

Leases are created based on gross square footage, or usable square footage as dictated by the site sketch floor plans. Minimum payments on all spaces are \$150 per month.

UTILITIES

Power, gas, water, sewer, and trash are included in the monthly lease fee. Additional services, i.e. phone and internet, are not included in the lease agreement.

FAIR MARKET VALUE

2011 - \$10 per gross square foot for office space

EXTERIOR

Tenants must receive written permission from DS Director for any vehicles, trailers, loose items, etc. that are located on ETC grounds longer than 7 days. No fee will be charged for serviceable business-related passenger vehicles with current Iowa registrations that are moved at least once during each 7-day period.

In order to maintain a professional entrepreneurial environment, fines will be assessed for any items stored without permission. Vehicles or loose items stored longer than 14 days will be assessed a fine of 0 times the above FMV rate based on square footage occupied.

APPLICATION FEE

\$50 per company includes credit report(s) and processing fees.