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Innovation Hub Feasibility Report

*For: Lewiston Innovation Hub
Project Steering Committee
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I. Project Background

Points Consulting (PC) and its partners at Plaka and Associates and KRNLS are pleased to present the Lewiston-Clarkston Valley community with this Innovation Hub Feasibility Report. We wish to thank the following parties for support: USDA Rural Development, Valley Vision, and Beautiful Downtown Lewiston. We are also grateful to the Clearwater Economic Development Association (CEDA) for grant management assistance.

This report culminates six months of careful socioeconomic research, best practices evaluation, and community engagement on behalf of Points Consulting's project team. Throughout this process, the project Steering Committee provided valuable advice, guidance, and coordination with community members. Members of the Steering Committee include:

- Scott Corbitt, President and CEO of Valley Vision (Committee Chairperson)
- Dodd Snodgrass, Development Manager at Clearwater Economic Development Association
- Carolyn Honeycutt, Executive Director of Beautiful Downtown Lewiston (BDL)
- Heather Druffel, Community Member
- Jaynie Bentz, Assistant Port Manager at the Port of Lewiston
- Courtney Robinson, Assistant Director of Employer Relations & Student Employment at Lewis Clark State College & BDL Board Member
- John Pernsteiner, City of Lewiston City Council

This report is laid out according to the following chapters:

- I. Project Background
- II. Executive Summary & Recommendations
- III. Regional Supply & Demand Dynamics
- IV. Business Plan Blueprint
- V. Best Practices & Case Studies Research
- Appendix A: Detailed Community Engagement Information
- Appendix B: Detailed Socioeconomic Data
- Appendix C: LIH Building Recommendations & Site Evaluations

For the time being, this report refers to the Lewiston Innovation Hub as "the LIH." This should not be taken as a recommended name for the facility but rather as a short-term abbreviation.

Lastly, this document is primarily for internal use for the Steering Committee and whomever else is interested in seeing the detailed version of this report. Separately, PC has also provided an external facing Executive Summary Report and a website template for the Steering Committee to use during external stakeholder communications.

II. Executive Summary & Recommendations

The LIH could be an economic development transformer for the L-C Valley – producing buzz, stimulating business formation, enticing relocators, creating jobs, and enlivening downtown Lewiston. The slow pace of in-migration, small business formation, and business retention in the L-C Valley demands just such a kick-start. The LIH will thrive if it includes elements of affordable coworking space, makerspace equipment, entrepreneurial support services, continuing education classes, appealing design, and community events. There are many ways to organize these features but they must be incorporated in some fashion for the LIH to fulfill its purpose. Economic and community factors will compete to minimize certain elements, community leadership must retain a clear vision of the LIH as something more than just cheap office space. The following are some of the Key Findings and specific recommendations to accomplish these ends.

Recommendations

Features

- The co-location of 4-5 community and economic development organizations will attract interest and energy to the LIH. Spatial divisions within the selected building should be utilized to ensure these offices retain both availability and separation from other LIH activities.
- Co-working space will be the lifeblood of the LIH. Tenant pricing should be established at rates that encourage makers working in isolation to congregate and form new business connections. At the same time, space and amenities should be managed so that L-C Valley building owners are not harmed by "competition" from the LIH.
- Increased conference room space is a need and priority for L-C Valley community members. Priority access should be provided to LIH tenants but community members should be allowed access to certain spaces during business hours as well as to conference rooms and equipment on an hourly fee basis, and event space for standard market rates.
- The selected building should feature room for event rentals– a need that is sorely lacking in the L-C Valley. Policies should be developed that encourage community usage for organizations that support the strategic goals of LIH.
- Tactile skills and manufacturing are an essential component to the L-C Valley's identity and economic potency. All features of operations should align with this reality, including marketing, spatial use, equipment, and partnerships.

Program- ming

- A crucial function of the LIH will be connecting entrepreneurs, funders, and business mentors. LIH Staff, Board, and L-C Valley community leaders must take responsibility for cataloging, convening, and recruiting members of these groups to formal and informal LIH events.
- Formal programs and classes will attract interest from various audiences, and these users will cross-pollinate–stimulating interest among increasingly broader and more diverse audiences.
- The LIH will host many user types. The business incubator will require the largest commitment and, therefore, should receive priority treatment and access. Benefits and access policies should be made clear to all users.
- The unique demographics of the L-C Valley require a customized membership model. In addition to mid- and early-career professionals, the LIH must be accessible to seniors, college students, and "blue collar" workers. This can be achieved through customized pricing models and designated programming for such audiences.

Partnerships

- The LIH will primarily serve the L-C Valley but partnerships with all regional higher education and economic development organizations, is essential to incentivize participation from residents of the Palouse and surrounding rural areas.
- Lewiston has recently invested heavily in career and technical education assets (via the Schweitzer Career & Technical Education Center and the DeAtley Center). Rather than duplicating equipment and programs, leaders should focus on developing articulation and shared use agreements for LIH tenants to participate in existing programs, and vice versa.
- The LIH should find every means possible to connect young talent with businesses including job fairs, hack fests, conferences, and visiting scholars. Young talent within the higher education systems is one of the region's most desirable, and underutilized, facets.
- The LIH will require external experts, both from the L-C Valley and outside. It is important that the LIH focus on providing a platform for quality teachers and experts rather than seeking to manage all content generation internally.

Structure

- The LIH needs to operate as efficiently as possible. Staff and resources should be shared with existing community organizations. That said, the Hub will require at least one staff person from the beginning. Up to four other staff members could be added over the next three years based on the LIH meeting pre-set success metrics.
- In keeping with best practices, LIH board leadership should be composed of private sector, economic development, banking/finance, chambers, and higher education communities. It should also include successful entrepreneurs from inside and outside the local community.

Funding

- Start-up and annual operating expenses will likely exceed LIH revenues. Donations and sponsorships from local and national business entities is essential to cover these costs. Opportunities for spatial, equipment, and event sponsorship should be pursued with all private sector entities with an interest in the L-C Valley.
- Some L-C Valley community members are uncommonly concerned with local government spending. To avoid contention with these audiences, the LIH should have a strong grant pursuit strategy and, if necessary, a clear plan for cost recovery. LIH leadership should also be utterly transparent with the community about these plans.

III. Regional Supply & Demand Dynamics

This chapter summarizes statistics uncovered via a detailed socioeconomic analysis and community survey. [Appendix A](#) and [Appendix B](#) contained detailed figures and graphics related to these trends.¹

Socioeconomic Analysis

In the midst of significant growth in Idaho and Washington, the L-C Valley has seen modest growth of less than 0.5% per year over the past decade. According to state statistical agencies, this pattern is projected to continue over the next decade. Looking beyond the initial layer of population change, it is noteworthy that the L-C Valley has seen significant net in-migration – over 1,000 individuals in each County.

While many age cohorts are remaining stable or slightly decreasing, the L-C Valley is gaining both in terms of older adults and those in the young millennial generation. Those in the 25 to 34-year-old age cohort increased by more than 10% over the past decade. COVID has resulted in an uptick in new migration to the Service Area. Counties such as Whitman and Garfield have seen the most significant influxes. Nez Perce and Asotin have each increased by three to four percent. Interestingly, those moving to Nez Perce are more likely to be low-income and those moving to Asotin are more likely to be high-income.

Incomes are modest in the L-C Valley, with half of all households earning less than \$50,000 per year. Yet, the population is not homogeneous as nearly 17% of all households earn



The L-C Valley has seen modest growth of less than 0.5% per year over the past decade.



The L-C Valley is gaining both in terms of older adults and those in the young millennial generation:

- 65 and over: +22.2%
- 25 - 34 years: +13.7%



The L-C Valley hosted an estimated 1,300+ individuals working from home in 2018



Local industries with a high proportion of self-employed workers earning adequate incomes include real estate, rental & leasing; professional, scientific & technical services; construction; and healthcare/social assistance



The L-C Valley does have a reasonable rate of new business entries, but is losing 0.2% to 0.3% of its business establishments on an annual basis



Over three-quarters of survey respondents say, “The region needs more spaces for innovators and business people to get together.”



Commercial office statistics indicate low investor interest in developing Class A space. Despite continued aging of existing inventory, rent cost per square foot was trending upward prior to COVID.

¹ Please note, throughout this report, icons sourced from Icons8.com. Pictures not cited are property of KRNLS. Pictures from other sources are attributed to the original source.

greater than \$100,000/year. Industry sectors with the largest number of employees and greatest relative concentration include manufacturing, retail trade, and health care/social assistance. Professional industries such as professional; scientific & technical; finance & insurance; and information have a high effect on demand for the LIH. These industries are also present and in some cases more concentrated in the L-C Valley and in other cases in the Pullman-Moscow area. The L-C Valley has a strong exchange of labor across the state border, as nearly three-quarters of working adults both live and work in Nez Perce and Asotin Counties. Out-commuters are most likely to originate from Moscow and Pullman. Lastly, the work-from-home (WFH) trend was surprisingly prevalent within the Service Area, even prior to COVID. Surrounding rural counties such as Clearwater, Idaho, and Columbia have more than 7% of their workforces working from home. Though less common in Nez Perce and Asotin, the L-C Valley still hosted an estimated 1,300+ individuals working from home in 2018.

Nonemployers are legal entities that earn an income but have no paid employees. This group is important because many people start their businesses as a side-venture, or while employed at a different company. Nonemployers accounted for over two-thirds of all businesses in the L-C Valley in 2018, which trails behind trends for Washington, Idaho and the United States. Industries with a relatively high proportion of nonemployers and strong receipt of income include real estate; rental & leasing; professional; scientific & technical services; construction; and healthcare/social assistance. Data by business size reveal that in comparison to state and national benchmarks, the L-C Valley has relatively fewer employers in the less than 5 employees range and relatively more in the 5 to 20 employees range. Business dynamics data indicate the L-C Valley does have a reasonable rate of new business entries, but if accounting for annual business exits, the region is losing 0.2% to 0.3% of its business establishments on an annual basis. Lastly, the region does supply a fairly strong number of patents. These are typically concentrated in Whitman and Latah counties. However, Nez Perce and Asotin counties have accounted for 38 patents since the turn of the twenty-first century.

Commercial real estate statistics indicate there is over 7.1 million square feet of commercial space in the L-C Valley. The vacancy rate in late 2020 was 5.0%, which is moderate. Market cap rates were 7.0%, indicating relatively low investor confidence in cash flows produced by commercial properties. Recent trends indicate softening in the region, but especially in the L-C Valley. Office occupancy rates dropped in mid-2020 to a 10-year low. Market rent per square foot tapered in the L-C Valley after eight consecutive years of increase. As helpful as these statistics are, they do not tell the whole story as the availability of Class A office space is nearly non-existent in the region, and inventory continues to age with few new spaces being developed.

Community Survey Analysis

Numerous metrics point to a strong interest in the LIH among those who completed the survey. Over three-quarters of respondents (76.7%) agreed with the statement, "The region needs more spaces for innovators and business people to get together." Additionally, 71.4% agreed that "the LIH would contribute to a more thriving economy in downtown Lewiston." Just 5 respondents (6.6%) indicated they do not think the LIH should exist at all.

In terms of physical amenities, respondents are most interested in office space for start-up businesses, small community conference rooms, and a business incubator. In terms of community amenities, respondents are most enthused about Interns/employees from regional Colleges and Universities, access to professional assistance, and special events that connect the LIH to the community. For the community at large, including people who are not remote workers, entrepreneurs, or aspiring entrepreneurs, the most popular potential features include continued education opportunities, a business incubator, and community/event space. Respondents seem less interested in niche physical and community amenities such as lab space, industrial space, tech transfer programming, and Veteran specific programming.

Respondents were also asked about whether and how they would utilize the LIH. Just over one-quarter believed it was likely they personally would lease space at the LIH (27.5%). When considered more broadly, 57.4% indicated that somebody they know is likely to lease space from the LIH. The vast majority of respondents indicate they would not be willing to commute for longer than 45 minutes. When asked how often respondents would utilize the LIH, responses were mixed with the greatest number of respondents saying "a few times per year" and "a few times a month."

Open-ended comments on the survey indicate that many respondents are very enthusiastic about the LIH (17 individual responses). Beyond this, the most frequent themes are commendations for LIH leadership to collaborate with various existing programs/organizations, and to re-use existing real estate options that are vacant and/or falling into dis-repair. A good number of respondents indicate a lack of clarity about what the LIH would accomplish. A notable minority said either there is not sufficient demand to support the LIH or expressed concern about tax dollars paying for its operations.

IV. Business Plan Blueprint

This Blueprint Business Plan is based on the consulting team's best thinking and research as of the conclusion of the project. The final LIH business plan will necessarily be different as it will integrate all partnerships, opportunities, and availability of resources at the time of project launch.

Business Plan: Executive Summary



LEWISTON INNOVATION HUB

Lewiston is home to many existing remote workers, solopreneurs, entrepreneurs, small business owners, and crafters. A wider audience includes DIYers, agriculturalists, and garage tinkerers who may not identify themselves as entrepreneurs but could also

be included in the mix. By providing a place of education, entrepreneurship, networking, mentorship, and comradery, a space accessible and open to all, the LIH could make a shift in the existing dynamics, all while greatly benefiting the surrounding Quad-City region (i.e.: Lewiston, Clarkston, Moscow, and Pullman). Imagine new business occupying empty storefronts, restaurants filled with new visitors, bustling sidewalks, and a young and diverse population making plans to relocate.

This vision starts with a single solution— an Innovation Hub located in Lewiston, Idaho (i.e. the LIH). This could turn Lewiston into a place where tech and craft entrepreneurs can learn, grow, and reinvest their knowledge and success back into a thriving community. The LIH could serve as an economic development engine and business incubator focused on bringing resources and innovators together under one roof. Additionally, co-working, hot desks, small offices, conference rooms, and event space would be available for use and rental. This incubator could help to create new pathways for the growth of the L-C Valley and enrich the entrepreneurial community.

Problem Statement

In a post-pandemic community, we are faced with the struggle of closed or hurting businesses with insufficient capital to move forward. As the world recovers from a COVID-induced economic downturn, many communities are looking for ways to help spur and diversify local industry by helping small businesses, which are the backbone and the foundation of the United States economy.

While examining locations, it became apparent that a home for innovation does not exist in the L-C Valley or the Quad-City area. Based on interviews with local stakeholders, it seems attempts have been made to establish similar concepts with little success or community support. While the community demand may exist, efforts have also been siloed and funding has been limited to this point.

Proposed Solution

The LIH would aim to catalyze the local economy by leaning on existing resources and empowering local families, students, crafters, makers, tech enthusiasts, artists, and hobbyists

to start and/or grow their own companies. The mission is to facilitate options for residents to create income in what may be considered non-traditional and entrepreneurial ways.

Based on this feasibility study and future community engagement, an LIH facility and programming plan would be built specifically for residents and business owners' needs. The business incubator program would go through all the necessities of starting your own company, such as incorporation, customer discovery and validation, finding an accountant and a lawyer suited to the business needs, financial statements, marketing, and social media. The program would also allow existing startups and small businesses to join and learn how to grow through sales and marketing techniques rapidly, locate and oversee manufacturing connections, and new product design.

Potential Funder/Donor Organizations:

- Regional Community Development Financial Institutions and Philanthropic-Minded Banks (e.g. New West Community Capital, Banner Bank)
- Regional Foundations (e.g. Innovation Foundation, Albertsons Family Foundation, DeAtley Family Foundation)
- Higher Education (e.g. LCSC, University of Idaho, Washington State University)
- National Innovation Funders (e.g. Kauffman Foundation, Skoll Foundation, Coleman Foundation)
- Regional Corporations with Innovation Interests (e.g. Boeing, SEL, McGregor Company, Microsoft)
- National Technology Companies with Innovation Interests (Google, Apple, etc.)

The LIH would require partnerships with a multitude of corporate, non-profit, government and higher educational organizations. Some certain local partners would include the City of Lewiston, Beautiful Downtown Lewiston, Valley Vision, CEDA, Lewis-Clark State College (LCSC), Lewiston High School (i.e. the DeAtley Center), and Schweitzer Career & Technical Education Center, to name a few. The task of LIH's Executive Director would be to rally funding and support for an audience of broader regional and national partners (some of whom are listed in the text box above). These partnerships would allow the LIH and partner organizations to share resources, talent, and build economic development pipelines. An advisory board including representatives from these various audiences would be appointed to assure adherence to the mission and vision of the space and dedication to the community.

This space would act as an entrepreneurial hub with a startup and small business incubator and affordable office spaces for various types of startups and crafters while also providing space for co-working and remote workers to co-mingle with like-minded entrepreneurs. The LIH would also have online programming accessible through their website and available to the greater Quad Cities community. Free meetups would be established for various interests. For example, many spaces have 3D printing meetups, HAM radio coding meetups, tax literacy, young professionals' groups, etc. The LIH would host events and be a space for interest clubs and free exchanges of information and resources.

Additionally, having a smaller-scale makerspace located inside the facility and adjacent to the coworking location is recommended. Due to the strong manufacturing industry legacy of the L-C valley, a makerspace provides a critical component to building the pipeline of manufacturing entrepreneurs and allowing curious hobbyists a space to create.² Although a full makerspace would not be feasible, a small amount of equipment such as large scale printers, a laser cutter, plotter, and a scanner would be available. This small part of the LIH would not duplicate another resource in town, but would be an incentive for co-working members to join and stay for the convenience and access.

In addition to providing programming and space, the LIH could also sponsor or participate with a funding arm to help launch small businesses. The LIH would not take equity stakes in participating organizations but could facilitate connections with options such as affordable loans and angel investment groups. The funding program would also prepare participant organizations to take on external investment, apply for SBA loans, write grants to organizations such as NIH, and prepare for pitch funding. With these features, the LIH would become the stimulant for local economic diversification and development.



Because of the educational and training assets that Lewiston already possesses, it is also a likely scenario that before the LIH is open for business, it could qualify for national tech and entrepreneurship grants from organizations such as Google, Microsoft, or Apple. These grants are typically used for programming and awards typically range between \$25,000 and \$100,000. When such grants are applied successfully they can quickly translate to ongoing support grants from organizations such as the Kauffman Foundation, Skoll

Foundation, or Coleman Foundation. These awards typically range between \$400,000 and \$500,000 per year for a minimum of two years and can be used for programming and operational costs under the condition that they are advancing entrepreneurship.

Long-term success and sustainability starts at placemaking. When the City of Lewiston takes a hands-on approach to improving a neighborhood, city, or region, placemaking inspires people to collectively reimagine and reinvent public spaces as the heart of every community. This ranges from reusing green spaces to encouraging local artists to creatively reuse vacant historic buildings. The existing vacant buildings downtown could easily be occupied by small businesses and startups incubated in LIH in 3-5 years after opening. The attractive downtown assets such as quick highway access, walkability, free parking, access to wineries, and eateries make it a perfect location to grow and develop existing and future entrepreneurs. Placemaking always strengthens the connection between people and the places they share, and is a collaborative process by which a community can shape its public realm to maximize shared value.

² Photo credit: Formlabs, Inc.: <https://formlabs.com/3d-printers/>.

An inspired LIH must leverage the local community's assets and potential, which will result in the creation of quality public spaces that contribute to people's health, happiness, and well-being. Placemaking attracts and draws locals and visitors to a specific location and fosters the creation of a vital public destination and population retention.

The LIH would be positioned as a destination and act as a focal point for events and activities in Downtown. The incubation program would become a magnet for other companies with shared goals of innovation and collaboration to join and stay in the L-C Valley.

LIH User Types

The consulting team's research indicates the LIH would best function as a hub for a variety of users, including those detailed in the infographic below. Specific policies for usage will need to be developed by LIH staff and the Board of Directors.



Incubator Client Selection and Business Assistance Policies

Client selection refers to the process of selecting businesses for inclusion within an incubator program. Larger metro areas have the luxury of designing narrow, industry-specific criteria for inclusion (e.g. biotechnology, agri-business, etc). The L-C Valley doesn't have enough industrial diversity to warrant such specialization but the LIH should still be careful to onboard firms that match the culture, facility vision, and resources available. Taking on firms that do not need assistance could result in an inefficient use of space and capital. Taking on firms that require large manufacturing equipment would compete with other local facilities (e.g. Port of Lewiston) and exhaust resources that could benefit other entrepreneurs.

The consulting team recommends an entrepreneur-focused approach for analyzing and accepting applicants. Limitations should not be set by industry, beyond consideration for the feasibility of operations within the LIH facility. This will result in a diversified portfolio of tenants that have the potential to produce a large and multi-faceted impact on the regional economy.

A well-designed business screening process can lead to a surge of startups and small businesses with strong economic potential. Furthermore, it can boost the attraction of other entrepreneurs to the L-C Valley. Beginning with a list of admissions criteria and standards is the first step. The application and screening process should help the incubator's leadership understand a top ten list of characteristics for an ideal candidate, including (not in any ranking order):³

- Viable business proposition
- Competent management team
- Positive economic development impact to the region
- Stable financial standing
- Aligned with regional industry strengths or goals
- Can meet the requirements of the incubator facility/program
- Can meet graduation benchmarks
- Positively fits within the incubator's culture



The application would include general exchange of information including a business plan. Recommended critical attributes of a successful candidate require that a business must be a new or emerging business, must not compete with existing clients, and must have a comprehensive business plan.

³ Journal of Small Business and Entrepreneurship Development December 2014, Vol. 2, No. 3 & 4, pp. 13-26.

Applicants meeting the basic qualifications and obtaining a positive review by the selection committee would then be invited for an interview where the applicant would deliver a short visual presentation explaining their business plan. Scoring from the selection committee could include traits such as grit, rigor, impact, teamwork, ownership, curiosity, and polish.⁴ Additional traits for desired clients would include stable financials, managerial competence, and products/services providing a positive impact. Creating a scoring matrix based on the desired traits could be done within a range of 1-5 with five being best. Afterward, scores could be added to attain an overall score with which to compare applicants.

Regarding business assistance policies, it is recommended that the LIH offers more generalized business services and support based on recent research. Generally, business assistance includes entrepreneurial training and business development coaching, accounting, legal advice, marketing, and financial assistance. Specifically, services related to business development and entrepreneurship are critical, such as business planning, marketing, and sales.

The recommended approach to providing business assistance includes entrepreneur-initiated consulting called reactive and episodic, where the client requests help and business coaching is provided during a limited duration of time. Other types of assistance—proactive and episodic counseling and continual and proactive counseling—are a more intensive approach to providing guidance.⁵ The business incubation program overall should have flexibility to encourage clients to connect with other successful entrepreneurs and mentors as needed, versus at the end or during certain programming durations.

Tenant Graduation Policy

Graduation is defined as a client business maturing to the point where they do not need business incubator services and are ready to lease/own their own facility. While the graduation policy should clearly link to the LIH's mission statement and values, the criteria to distinctly define whether a company is ready for graduation is very obscure. Factors defining the length of a client's duration at the LIH should be determined by the company's performance assessment based on an agreed-upon milestone, the vision of incubator leadership who can determine whether a company is sustainable or not, perception of the entrepreneur based on their business' evolution, and timeframe variables. Typically, incubator clients graduate on average about three-to-five years after entry into the facility/program.⁶

Furthermore, the most commonly used criteria to evaluate whether a business can survive outside of the incubator includes an experienced management team, financial stability, significant product/services sales and backlog of orders, no continuing need for services, and space requirement needs that exceed the existing capacity at the center. A study by the National Business Incubation Association (NBIA) indicates the top graduation criteria include

⁴First Round Review <https://firstround.com/review/hire-a-top-performer-every-time-with-these-interview-questions/>.

⁵ Anna Bergek and Charlotte Norrman, Incubator best practice: A framework, 2008, Technovation, (28), 1-2, 20-28. <http://dx.doi.org/10.1016/j.technovation.2007.07.008>

⁶ EUBIC Impact and Activity Study Report 2020 <https://ebn.eu/images/news/2020/EBN%202020%20Impact%20and%20Activity%20Study%20-digital.pdf>

companies have outgrown space, they have spent the maximum time permitted at the facility, company met agreed-upon milestones, client has failed to meet milestones/benchmarks, and assistance is needed beyond what the incubator can provide.⁷

For the LIH to serve as a regional catalyst to private sector businesses, it must not compete with private sector landlords, or prop up businesses beyond a point that is beneficial. To accomplish these ends, under certain conditions, rental costs would likely be subsidized for small- to mid-sized businesses. It is critical that the LIH design policies and timelines that are clear to incoming clients about how long and under what terms rent would be subsidized.

Marketing Plan

Much effort would be put into marketing the space to the correct audience by utilizing partnerships with local corporations, nonprofits, schools and colleges, and city and federal government. This plan would start with the development of a website where interested parties would be directed through social media channels and local promotions. Broadband is not a large issue in this area due to the installation of fiber optic cable by the Port of Lewiston enabling high speed communication. Partnerships with residents and local businesses from the L-C Valley and potentially the entire Quad Cities region are essential to reaching critical mass of the region's population.

The website would offer online class opportunities utilizing instructional design, moderator-supervised digital message boards that allow for collaboration, and a resource library for business development. Social media would play a vital role in attracting local business owners and startups and sharing information on programs available. Again, partnerships with local businesses would play a crucial role in marketing and stirring excitement for the LIH prior to launch. Various classes would be offered both online and in person to diversify the class attendees and help bring in participants from outside of Lewiston.

It's important to understand how this facility could support economic development, job growth, workforce development, and education in the nine-county region and which sectors would be most strategic to these ends. Data for the L-C Valley indicate that sectors such as real estate, construction, professional, scientific & technical services, finance and insurance are the most likely small business candidates who would be in need of such space. This is not an exhaustive list but demonstrates how the range of services could be broadly applied. It is quite likely that residents and local business owners would be inspired to utilize the space in ways we cannot predict.

The LIH would be a platform for open innovation and function as a service provider enabling members to realize their product/design/service. Staff would advise, assist, and train members but refrain from doing the work for them. Programmatic resources would also connect them with other members with expertise, helping to build mutually beneficial networks. The essence of the experience is to learn by doing while also meeting other doers and leveraging connections. This combination of hands-on activity and organic networking

⁷ InfoDev and International Finance Corporation: https://www.infodev.org/infodev-files/m6_traineeManual_part1_20101029.pdf

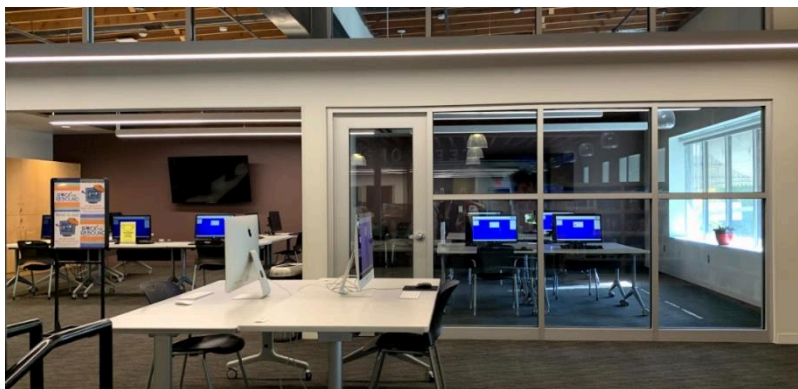
becomes the stickiness that keeps members renewing their memberships, attracting new members and cohorts, and the hub financially sustainable.

Business & Institutional Partnerships

Hosting events and with local institutions and businesses can serve as a great way to serve the community while also connecting with potential business incubator clients. Using the expertise and resources of the LIH and other regional partners, the LIH could convene educational and networking events at the facility. The following are examples of ways the LIH could partner and serve the local community.

Continuing Education:

Regional partners may have access to programming that is valuable and underutilized. The LIH could work with these organizations to provide access to a broader audience. Some examples include Lynda.com, a program subscribed to by the local Library, which features courses and programs in fields



from software development to raising capital. The LIH could also partner with members of the Lewiston Wine Alliance for Fermentation Science courses or LCSC professors on the basics of electronics. Idaho's SBDC office also offers regular programming on topics such as accounting and social media usage. The options for professional development sponsorships could extend past these initial concepts. The LIH's main role would be to sponsor, market, and provide a facility for these opportunities.

Community Events: Many nonprofit and corporate entities love hosting their team-building events at innovation hubs. Hands-on workshops/events such as laser-etching your own beer glass or building catapults to play Game of Thrones are designed to cater to each company's specific interests and goals. This would be a great way to attract new members to the space and add revenue through events.

Equipment Safety Classes and Educational Events: Group and one-on-one safety classes will be given to assure the safety of every member who wants to use the tools. These classes will also prolong the longevity and performance of the equipment as well. Potential regional educational partners include the Lewiston Library, LCSC, or a high school, but the LIH could cover costs and sponsor the events and show students how small businesses and startups function.

Partner Employee Membership Perks: Nationally, there have been trends of companies and coworking spaces purchasing blocks of membership as "perks" for their employees and members. This option could be particularly appealing to some of the region's largest businesses who have a large number of staff residing in the L-C Valley and other surrounding areas to the south, east, and west.

Memberships could be offered to employees who reside in the L-C Valley who need a “third space” for employees to work other than at home or in the headquarters office. This option could be particularly appealing in winter months when inclement weather can make travel unsafe or unpredictable. The LIH would be a creative, encouraging, and friendly environment for these workers, giving them a place to interact with other like-minded individuals outside of their offices and homes. Using memberships as a perk is a great incentive for encouraging long-term employment, increasing employee morale, and gives companies another competitive edge for hiring.

Depending on the type of equipment available at the LIH, businesses may also benefit from use of equipment for experimentation and prototyping. Many large fabrication facilities such as Toyota, Uber, and Steelcase utilize makerspaces to train new staff prior to giving



them access to their equipment.⁸ The machinists and engineers also enjoy the time away from their usual office environment as it allows them to interact and get inspired by other members’ projects and innovation. Promoting these types of practices within manufacturing or prototyping facilities leads to less on-site accidents, less equipment breakage or damage, and an overall safer environment. Additionally, with the legacy of the manufacturing industry having a strong foundation in the L-C Valley, establishing a makerspace will help increase the entrepreneurial capacity in the region while playing to its industrial strengths.

Science, Technology, Engineering, Art and Mathematics (STEAM)/Educational Partnerships

Whether the LIH hosts a makerspace or leverages other regional assets, the LIH could be a convener and facilitator for young residents to access these tools. Makerspaces are a playground for kids of any age. The ability to create almost anything truly spurs the thirst for innovation and education in elementary, middle, and high school. Successful organizations have utilized summer, afterschool, and holiday programs to engage kids and their families. These programs often involve project-based learning methods and include multiple types of equipment for different age groups, although it is recommended that the LIH remains a place for children 15 and older.

Other great ways of building partnerships with high schools and universities are:

- Hosting an annual trade show to showcase student businesses and entrepreneurial efforts

⁸ Photo credit: Toyota TILT Lab, Georgetown, Kentucky,
<https://www.facebook.com/lifeattoyota/photos/pcb.2279178598854267/2279178202187640/>.

- Building internship and mini-internship programs that can help students:
 - Gain the skills and confidence to start and operate their own businesses
 - Understand how STEAM fields function in the real world
 - Understand basic business and financial fundamentals
 - Gain skills that can be useful in future employment, such as prototyping, product launching, business startup skills, presenting and pitching ideas, and training on various pieces of equipment
 - Learn software and hardware equipment for design and fabrication
 - Become curious about new topics in and outside of school
 - Be exposed to alternate post-high school opportunities for those not pursuing college degrees
- Use the makerspace as overflow during a busy time for schools
- Develop workforce pipelines for local manufacturing companies and startups alike

Innovation Hub Operations

Building Operations

The LIH would be designed with post-pandemic thoughtfulness but with hopeful flexibility for the future.⁹ The space would include work offices, conference rooms, phone booths, classrooms/workshop rooms, office space available for rent, and potentially a small makerspace that would allow members of the space to quickly print, cut, and make things like signage, business cards, custom shirts, and even small marketing give-away items in preparation for events. Easy access to such tools would also attract new members and retain existing ones.



Educational offerings would be attentive to the specific needs of the community we aim to serve and would be designed to be offered online and in person with 9:00 a.m. - 5:00 p.m. operating hours and available after hours of 5:00 p.m. - 11:30 p.m.. Members of the space, office renters, and incubator program participants would have access 6:00 a.m. - 11:30 p.m. to ensure safety of operations. Both public and private sector entities would have access to the LIH. Given that public sector entities may handle sensitive and confidential information, the building would also require internal access and safety measures, such as key card requirements for accessing public sector sections of the building.

Business Incubator Operations

The LIH business incubator would run on a nine-month cohort cycle. Each participant or startup would be selected through a series of interviews. The program would focus on giving

⁹ Photo Credit: MatchBOX Coworking Studio, Lafayette, Indiana, <http://www.lifeinlafayette.com/spotlight-on-matchbox-coworking-studio/>.

participating companies the basics of business success, including business registration and organization, financial literacy, operational models and management, investment, marketing, research, prototyping, and manufacturing. The incubator program would also be responsible for seeking grants that help to provide resources such as childcare and basic income for participants.

Membership Model

The suggested membership model for co-working should work like a gym facility. A recurring fee would be charged from a member's account on a monthly basis. Six months and annual memberships would be available for purchase at a discount. Membership would be discounted for students, seniors, and block purchases by corporations. Hot desks options would be available for purchase, as well as small- to mid-sized office space available for lease. Purchasing a membership allows you to come in and use the space and equipment. To use the equipment, each member or non-member must take and pass a safety certification class. Each class would not cost more than \$45. Members would also be able to purchase consumables and storage for additional fees.

Revenue Model

The revenue would be derived from a number of sources; however, it is likely that private partnerships and grants would still be needed to maintain the health of the building and business. The LIH would be operated as a nonprofit with a leadership board composed of local stakeholders and national thought leaders. Potential sources of revenue include the following:

- Co-working Space & Hot Desks
- Office Space Rent
- Education
- Storage
- Sponsorships & Naming Rights
- Events Rentals
- Food & Drinks for purchase (potentially)
- Grants

Equipment Availability

Equipment such as basic printers and large format printers should be provided for easy access to all LIH users. Because entrepreneurs are busy and equipment should be readily available, it is recommended that small 3D printers are provided for prototyping along with a heat press and vinyl cutter for T-shirt making. A desktop laser cutter could make a huge difference for rapid prototyping as well as designing building assets and things like business cards. While some of these tools are available at the library and the Schweitzer Career & Technical Education Center, it is highly unlikely that people will travel to have access to these tools in the middle of the workday.

In addition, it seems that often times the equipment at the Lewiston Library is in need of maintenance or is not available when needed, while the tools at the DeAtley Center and Schweitzer Career & Technical Education Center will be given primary use for education and not rapid prototyping needs.

For these reasons, the project team does not believe a small selection of equipment is duplicative of other facilities' resources. In the long-run, the LIH may choose to add more equipment to the list, but a careful inventory of member needs and resources available elsewhere in the region will need to be taken.



Performance Plan and Monitoring

Key Performance Indicators (KPIs) for business incubators are needed to evaluate the program/facility's overall effectiveness conducted via an independent and anonymous survey. Businesses supported by the incubator are asked to rate the effectiveness of the facility's program regarding business education/coaching, capital access, and network connections. Examples of programming evaluated include capital access training, professional support service connections, investor connections, business education, grant maker connections, customer connections, and lender connections.

Additionally, the performance of businesses is evaluated based on their revenue, net income, success rates in raising capital (i.e., equity, debt, and grants), amount of each type of capital raised, and patents received. It is important to understand there will be variations in effectiveness ratings and these KPIs because of industry differences. For example, many high-tech businesses will want and/or need access to various types of capital while lifestyle and 'main street' companies may need access to customer and marketing support. These benchmarks are meant to provide guideposts and are contingent on the critical mass of companies engaged at LIH.

Board Development

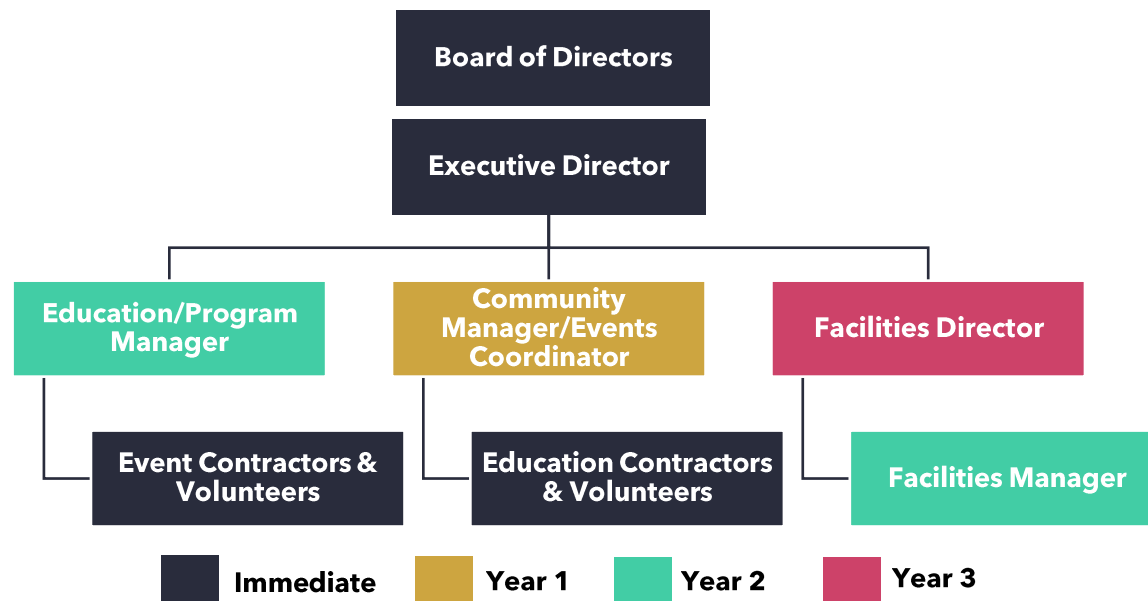
To ensure effective and successful implementation, it is recommended that Steering Committee members identify potential Board Members for the Lewiston Innovation Hub. Based on the Project Team's research and regional input, below is a list of recommended members for the Board. The team also suggests a board with no more than 12 total members and no fewer than five. A typical successful board composition is comprised of eight members including a non-voting executive director to act as a tie breaker if necessary. Recommended members include:

- Current steering committee members
- Local active entrepreneurs
- Successful entrepreneurs from outside the immediate region
- Corporate sponsors
- Funding partners

Staffing Plan

The precise LIH staffing plan will be designed and agreed upon once the final legal and organizational details are determined. Initial discussions with the project Steering Committee indicate that some existing community or economic development organization may encompass the LIH. If that is the case, the LIH would receive some leadership and guidance from the previously existing organization. In such a case, the LIH would still require its own Executive Director and Advisory Board.

Figure 1: Proposed LIH Org Chart



The LIH could initially be run solely by the Executive Director. Initially, this individual would have an oversized set of responsibilities—managing administrative duties; tenant, subcontractor, and community relationships; scheduling events; managing the facility; and managing grant-writing activities. As usage increases, other staff would be required. Within the first six to 12 months, the LIH would likely need a Community Manager/Events Coordinator. Sometime during year two of operations, the LIH would likely need a Facilities Manager and Education/Program Manager. Lastly, sometime during year three, the LIH may need a Facilities Director. This team would work collaboratively and report to the Executive Director, who would report to the Board of Directors. Once fully staffed, the responsibilities of staff members would be as follows:

- **Executive Director**- overall vision/leadership, external and stakeholder relations, communication with Board of Directors, fundraising, and management of LIH staff.
- **Education/Program Manager**- managing day-to-day operations, managing programming and education, management of the business incubator, and grant writing.
- **Facilities Director**- oversight and maintenance of building infrastructure and IT, building repair and maintenance, and coordination on supply and staffing needs for events.

- **Community Manager/Events Coordinator**- responsible for co-working space, office supplies and management, and coordinating event and facility rentals.
- **Facilities Manager**- building maintenance, oversight and maintenance of makerspace equipment, and janitorial responsibilities.

To control costs and share resources, the consulting team recommends collaborating with existing partners to share resources and staff and sharing valuable assets like grant writers, accountants, CPAs, and lawyers. Mid-level managers will also need to rally and manage volunteers who are willing to serve at the LIH for the benefit of the greater community. The staffing approach will need to be flexible to accommodate changing market conditions, administrations, and industry needs for all partners involved.

The [Preliminary Pro Forma](#) includes estimated costs for these staff members, which are added on according to the time intervals mentioned above. Figure 1 demonstrates the organization of these staff members, while also indicating ideal on-boarding points in time.

Preliminary Pro Forma

Pro formas are a tool used by finance and real estate professionals to forecast the performance of a real estate asset. They are intended to reveal whether a project will generate sufficient revenue to cover the cost of construction and operational expenses.

At the conclusion of this feasibility study, the project team had limited information about the facility, organizational structure, and program plan. The pro forma is based on our full extent of knowledge on these issues. Where necessary to arrive at a conclusion, our team made assumptions about the building and its use. The MS Excel-based pro forma model is provided with this document, which could be used by LIH leaders for adjustments based on information gathered after the conclusion of the project.

Given the high cost of renovation and the ongoing cost of maintenance, PC predicts a significant year over year gap between revenues and expenses. Over the course of the first five years, the net present value of costs is anticipated to exceed negative \$700k. On a more positive note, revenues will ramp up over the first several years, reaching a stable production of \$364k in revenue by year two, which will thereby increase at a rate of 3.5% per year. The Pre-Opening period (i.e. year 0) is anticipated to be the most expensive (\$697k). By year 3, annual costs will stabilize to roughly \$446k. Table 1 demonstrates forecasted annual revenues and costs for the first five years (i.e. Pre-Opening to Year Four).

Table 1: LIH Pro Forma Summary, First Four Years

	Revenues	Costs	Profit/(Loss)	YoY Change Profit/(Loss)
Pre-Opening	\$32,402	(\$696,830)	(\$664,428)	--
Year 1	\$281,138	(\$294,177)	(\$13,039)	\$651,388
Year 2	\$364,535	(\$366,866)	(\$2,330)	\$10,709
Year 3	\$387,894	(\$445,596)	(\$57,702)	(\$55,372)
Year 4	\$400,433	(\$468,864)	(\$68,431)	(\$10,729)

Source: Points Consulting & KRNLS, 2021

V. Best Practices & Case Studies Research

Entrepreneurship-focused facilities and initiatives have had a transformative impact in many regions across the country and could have a similar impact in the L-C Valley. The best practices and case studies described herein emphasize the opportunity to support the economic potential of the region through connecting entrepreneurs, community leaders, and funders. As indicated within these case studies, embracing the Innovation Hub concept could have positive impact on multiple community development priorities including attraction and retention of young talent, industry diversification, workforce development, and stimulation of further private sector investment in downtown Lewiston, to name a few.

The ultimate ‘champion’ of the LIH would be responsible for overseeing these programs, but there are many ways the city and other community organizations could partner to share the burden. For that reason, note that these best practices indicate some preferred methods but do not offer specific guidance on how the LIH should conduct itself, an issue that is fully addressed in [Chapter IV. Draft Business Plan](#).

The consulting team conducted national best practice research to provide a view of what conditions and resources successful incubators and makerspaces require in order to be sustainable in the long-term. The best practices and case studies were identified based on existing assets and conditions within the L-C Valley. For example, some case studies provide examples of development partnerships, such as with universities and colleges, while others showcase how small, rural communities have developed their own Innovation Hubs or incubators. Though many patterns and practices are the same regardless of the size of the host community, there are issues particular to rural communities that must be recognized and addressed.

Findings on the various potential components of the LIH are summarized below:

Best Practices

Incubators (General)

- ***Incubators need to be subsidized:*** Almost all incubators require public subsidy, even the highest performing ones. On average, **only 60% of an incubator’s income is from client rent or service fees**. Additionally, **most high-achieving incubator models (93%) are nonprofits**.¹⁰
- ***Partnerships are critical to success:*** Incubators need to partner with local higher education, professional-technical education, SBDCs, or other organizations to provide training/education and access to research-related skills and resources. Doing so both helps keep operating costs down and ensures optimal use of all financial and human resources.

¹⁰ Lewis, D. A., Harper-Anderson, E., & Molnar, L. A. (2011). *Incubating Success: Incubation Best Practices That Lead to Successful New Ventures*. Arbor, Michigan: Institute for Research on Labor, Employment, and the Economy, University of Michigan.
http://www.edaincubatortool.org/pdf/Master%20Report_FINALDownloadPDF.pdf.

- **High Performing/Common Management Practices:** Strong incubators have a mission statement, selecting clients based on community development priorities and the potential for success. These practices will allow the incubator to review client needs at entry, showcase clients to the community and potential funders, and maintain a clear and binding payment plan for rents and service fees.
- **Incubators need to have well-established oversight committees:** In the case of the LIH, there may be several layers of accountability depending on which entities are involved in management. Regardless, the advisory board directly overseeing the LIH should have participation from each of the following communities:
 - Graduated firms (once established)
 - Experienced entrepreneurs
 - Local economic development officials
 - Corporate executives
 - Finance or banking professional
 - Business lawyer (and, in some cases, intellectual capital protection legal assistance)
 - College/University officials
 - Chambers of Commerce
- **Social Capital is critical:** Networking and community-building events are foundational for successful incubators. Strong incubator managers are integral to cultivating the social capital for incubated companies to connect with outside resources.
- **Recommended practices:** Successful incubators offer connections and advice concerning the following topics:¹¹
 - Business plan writing and foundational business education
 - Legal assistance
 - Connection to capital
 - Access to broadband internet
 - Mentoring board for clients
 - Partnerships with colleges and universities
 - Accounting and financial management services
 - Networking with other entrepreneurs and clients
 - Networking with regional businesses
 - Assistance in presentation (pitch) skills and business protocol

¹¹ Lewis, D. A., Harper-Anderson, E., & Molnar, L. A. (2011). *Incubating Success: Incubation Best Practices That Lead to Successful New Ventures*. Arbor, Michigan: Institute for Research on Labor, Employment, and the Economy, University of Michigan.
http://www.edaincubatorool.org/pdf/Master%20Report_FINALDownloadPDF.pdf.

- ***Incubators that collect data perform better:*** Successful incubators require exit surveys and keep tabs on graduates to track the performance of participants post-incubation. These data help incubators adjust their programs to provide the best results and shows the public (government and citizens) whether their investment is worthwhile.

Rural Incubators

- ***Regional approach:*** Rural programs work with dispersed populations, limited local markets, and a smaller base of expert advisors, service providers, and potential clients, so effective regional networks are critical. The network should share tools, curriculum, trainers/advisors, workshops, capital pools, and other resources by offering mobile access or virtual access to rural satellite locations. Other successful factors include:
 - Many rural incubators are organized as networks with numerous spokes supported by a regional hub.
 - Staff share responsibilities with other economic development organizations to increase access to resources and decrease costs and duplication.
- ***Anchor tenants:*** Rural incubators frequently host educational institutions, economic development agencies, or other business support services (SBDCs) as anchor tenants. These entities pay full-price rent, helping subsidize the incubator, and can assist in providing educational services.
- ***Community buy-in:*** A case study of Texas A&M and rural Texas communities found that providing a space and entrepreneurial education/training is not enough to create a successful incubator, especially in a rural region. Having an on-the-ground champion establishing connections, partner-relationships, and garnering community support is necessary.

Makerspaces (General)

- ***Definition:*** Makerspace is a broad term used to describe spaces made available to the public to create objects and prototypes. Makerspaces have certain shareable tools and are frequently utilized through classes to educate and enable the public. The term makerspace can include other fabrication space types such as hackerspaces, FabLabs, and TechShops, which all ultimately focus on making and creating things. Products such as MakerBot (low-cost 3D printer) and the Square Card Reader have come out of makerspaces.
- ***Availability of tools:*** Typical Makerspaces have tools ranging from 3D Printers, laser cutters, CNC machines, welding, sewing, woodworking equipment, and more. Outside connectivity to a network, tools are the biggest draw for potential members of a makerspace, so an extensive and high-quality list of tools can make or break a new makerspace.

- **Staffing and education:** To ensure the safety of makerspace members, an accessible and dedicated staff member should provide supervision and training for members to effectively and safely use the available tools within the Makerspace.
- **Size and scope:** Makerspaces can range in size and function quite drastically. Some makerspaces are 500 sq. ft. and only host teaching sessions, and some are 150,000 sq. ft. with the ability to rent-out 1,000+ sq. ft. of space to start-up businesses. Many makerspaces start out small, build their membership base and tool list, and then expand as it becomes more feasible.
- **Start-up and maintenance costs:** As with any new venture, starting a successful makerspace takes significant amounts of time, money, and human-power. Founding people or organizations must be realistic about all these dynamics when considering starting any type of makerspace.¹²

K-12 Makerspaces

- **K-12 partnerships:** Makerspaces are occurring increasingly within public schools and libraries. These provide existing spaces that can be transformed into makerspace to the extent that resources are available. It is important to determine the goal/desired outcomes of the makerspace before investments are made into expensive 3D printers and CNC Machines.¹³
 - In research studying maker pedagogy, it was found that the culture established in a makerspace is much more important than the equipment housed in the facility.
 - A maker culture promotes risk-taking, learning from mistakes, problem-solving, and developing an ability to persevere when tasks are difficult.
 - Job growth in STEM fields is expected to be 17% over the next 10 years, which is much higher than the average job growth rate of 10%.¹⁴
- **1st Maker Space** is a startup based in the Indiana IoT Lab that designs, builds, and sustains in-school & library makerspaces and STEAM Labs. They do everything from the design/construction of K-12 makerspaces to developing lesson plans/curriculums for teachers/librarians to use within them.

¹² Cavalcanti, G. (2013, June 04). Making Makerspaces: Creating a Business Model | Make. Retrieved from <https://makezine.com/2013/06/04/making-makerspaces-creating-a-business-model/>

¹³ Roffey, T., Sverko, C., & Therien, J. (2016, April 3). The Making of a Makerspace: Pedagogical and Physical Transformations of Teaching and Learning. http://www.makerspaceforeducation.com/uploads/4/1/6/4/41640463/makerspace_for_education_curriculum_guide.pdf

¹⁴ Thomas, P. (2018, December 27). 6 Things to Consider Before Starting Your Makerspace - EdSurge News. Retrieved from <https://www.edsurge.com/news/2014-10-10-6-things-to-consider-before-starting-your-makerspace>

- 1st Maker Space helped design a makerspace for The Metropolitan School District of Decatur Township's Innovation and Design Hub. The Hub houses interactive promethium boards, 3D printers, audio/visual production, and a computer programming lab.¹⁵

Entrepreneurial Communities

Entrepreneurial talent, culture, and infrastructure are the core elements of entrepreneurial communities. Successful entrepreneurial communities focus on 1) developing the skills of people, not businesses, recognizing startup failures are a normal part of the process, and 2) developing the pipeline of entrepreneurs and residents who support them.

Case Studies

The following case studies provide more detailed explanations of incubators and Innovation Hubs in regions with similar assets and conditions to the L-C Valley.

Braintree Business Development Center

Founded in 1986, Braintree Business Development Center is a business incubator and entrepreneurial support organization aimed at identifying opportunities to assist or create businesses through the commercialization of new and innovative technologies. Braintree offers 20,000 sq. ft. of low-cost rental space for startups and growing businesses, including common warehouse services (material handling, truck dockage, common carrier, and janitorial services). Braintree also offers many networking and capital opportunities for its resident start-ups.

Region: Mansfield & Ashland, Ohio

Ownership Structure: 501(c)3 Nonprofit

Industry Specialization: Advanced manufacturing, alternative energy, information technology, bioscience, and agriculture/food processing

Graduation: Braintree has an impressive list of current residents' businesses and graduates, indicating a level of success of their program. Since 1986, Braintree has housed over 100 start-up companies.¹⁶ The program began with a status graduation model with incubator participants going through a 3 to 5 year cycle. However, for the past seven years, the model evolved into an evaluation of whether a venture is stable enough to move on from the incubator based on a mixture of communication between the venture and incubator leadership and the logistical needs of space.

Northwest Enterprise Center Network

The Northwest Regional Planning Commission revised the traditional incubation model because the 10-county region included only villages and towns, the largest of which had fewer than 5,000 residents. The organization created the Northwest Enterprise Center

¹⁵ Decatur Township Makerspace (<http://www.decaturoproud.org/central-igh/news/1651355/decaturo-township-innovation-and-design-hub>)

¹⁶ Braintree Website: <http://www.braintreepartners.org/incubation/incubator-building>

Network, an array of 10 incubation facilities across six communities that operates under the economic development umbrella organization.

Region: Northwest Wisconsin

Ownership Structure: 501(c)3

Industry Specialization: Mixed-use

Graduation: 40 Companies, 373 jobs, \$53 Million Annual Sales, \$16.8 Million Annual Payroll, \$42.2 Million Private Investment.¹⁷

Quincy Business & Tech Center

This business incubator has been sustainable by implementing a model, including businesses and organizations at various stages of development. More established organizations/tenants pay premium rent and provide mentoring/training for tenants with less experience.

Region: Quincy, Illinois

Ownership Structure: 501(c)3

Industry Specialization: Mixed-use

Graduation: 30+ years of program operation, 60-65 businesses launched out of the program, over 500 jobs created.¹⁸

Innovation Depot

Innovation Depot is an incubator based in a rural region of Alabama and offers different, specialized programming according to client companies' needs. Innovation Depot's entrepreneurial programming includes two coding courses, Innovative Birmingham, Covalence; a coworking space with the Ignite Collaboration Program; and the highly competitive Elevate Incubation Program.¹⁹

Region: Birmingham, Alabama

Ownership Structure: 501(c)3

Industry Specialization: Technology

Graduation: This incubator boasts of 112 member companies, \$155 million in gross sales, and the creation of 1,064 jobs in 2017 alone.²⁰



¹⁷ NWRPC website: <https://nwrpc.com/882/Northwest-Enterprise-Center-Network>

¹⁸ Quincy website <https://qbtc.org/about/>

¹⁹ Photo Credit: Innovation Depot, Birmingham, Alabama, <https://venturebeat.com/2018/08/04/how-birmingham-innovation-depot-secured-more-public-and-private-support-for-alabamas-startups/>.

²⁰ Innovation Depot website: <https://innovationdepot.org/>

406 Labs

Based in Bozeman, Montana, 406 Labs is Montana's first technology and high-tech manufacturing accelerator program. The program was first hatched three years ago in collaboration with Blackstone Launchpad (a business incubator based out of Montana State University). But where the Launchpad offers all-encompassing mentorship, 406 Labs focuses on venture coaching tailored to individual startups. The organization's industry focus is on the clusters already thriving in Bozeman: Outdoor Technology, Photonics, Biotech, and SaaS. While 406 Labs is housed on the Montana State University campus, it is a member of the Global Accelerator Network (GAN) that includes presence from some of the world's top accelerators. The curriculum focus is modeled after the MITx Global Entrepreneurship Bootcamp and ventures participate in a 90-day extensive program with a focus on market research, product development, mentorship, and resource access. A cohort comprised of six to eight ventures is coached/mentored and is connected to angel investors/venture capital, with the experience ending in a "demo day" to showcase their business.

The GAN Community is a network of 105 accelerators with 163 locations in more than 100 cities and six continents.

Region: Bozeman, Montana

Ownership Structure: University Program

Industry Specialization: Technology and manufacturing

Graduation: Since its inception in 2017, 406 Labs has had an estimated 70 companies graduate the program.

Rural Communities & Remote Work

As with many other dynamics of everyday life, COVID-19 is changing people's living and working situations, according to a Pew Research survey conducted in summer 2020. Overall, the survey found that 3% of respondents (9,000 in total) have temporarily (2.73%) or permanently (0.27%) relocated.²¹ While the 0.27% permanent relocation cohort may seem small at face value, if this survey was broadly applied to the United States as a whole, enough people would have permanently relocated to represent the current population of Boston, Massachusetts. This trend is further supported by a Harris Poll conducted in spring 2020 which found that "38% of respondents living in urban areas considered themselves likely to move out of densely populated areas toward rural areas."²² These relocations, as well as the general trend toward long-term telecommuting as a result of COVID-19, are also having a large impact on commercial real estate. While the lagging indicator of commercial office rents have not yet seen a decline, vacancies have increased and development has slowed.

While the trend toward increased levels of telecommuting may create problems for urban areas, it presents an opportunity for economic developers outside of the traditional major

²¹ D'Vera Cohn, Pew Research Center, "About a Fifth of US Adults Moved Due to COVID-19 or Know Someone Who Did." <https://www.pewresearch.org/fact-tank/2020/07/06/about-a-fifth-of-u-s-adults-moved-due-to-covid-19-or-know-someone-who-did/>.

²² The Harris Poll, Wave 8-9, https://theharrispoll.com/wp-content/uploads/2020/04/The-Harris-Poll_COVID19-Tracker_Wave-9.pdf.

urban hubs. This opportunity comes in the form of shifting away from traditional business attraction, toward attracting remote workers through place-based strategies. Here are a few examples of remote working place-based strategies:

- **Incentivize People Recruitment:** There are several examples communities from [Tulsa, OK](#), to the state of [Maine](#), to the small community of North Platte, NE where programs have been created to financially incentivize remote workers to relocate through grants, often around the \$5,000 mark.
- **Evaluate Co-Working Space Needs:** While coworking spaces have taken a hit during the COVID-19 "Stay-At-Home" orders, they are critical to a community's remote worker attraction program. Coworking spaces are not just rentable office space, it can help simulate the sense of community people find working in an office.
- **Become A Part of a Remote Work Housing Network:** Remote Work Housing Networks are a program where remote workers pay a monthly fee and travel to a number of destinations, receive housing, co-working space, and other amenities. If a community is not interested in a Remote Work Housing Network, it can also consider subsidizing the first few months of rent if a remote-working tenant opts to sign a long-term (12-month) lease (ex. [Grant County, IN - Grants for Grads](#)).²³

Additionally, one of the key trends predicted to see a boost from the COVID-19 induced influx of remote workers is Coworking. Coworking is projected to become an even more vital resource post pandemic for a few reasons:

- **Remote Workers Have to Work Somewhere:** While some remote workers will opt to work entirely from their residence, many still want to have the sense of community an office can provide. Coworking spaces can fill this gap and are a key part of strategies some communities are leveraging to attract remote workers.
- **Resource Coordination for Small Businesses:** While coworking spaces are used by remote workers, they are also an important space/resource for small businesses. COVID-19 revealed this need through the complicated disbursement of SBA loans. If Small Businesses were connected to local coworking spaces, these coworking spaces could have served as a resource center to help those businesses access these important resources.

Lastly, community is *key to recovery*. Coworking spaces can help communities regain economic momentum. In January 2020, Launch Pad (Coworking Network) released statistics that, across their five locations, over 9,000 jobs had been created, over \$230 million in equity capital had been raised and over 1 million sq. ft. of commercial real estate had been leased.

²³ Mainstreet.org: <https://www.mainstreet.org/blogs/national-main-street-center/2020/06/18/covid-19-trend-series-rural-economies-great-opport>

Appendix A: Detailed Community Engagement Information

The project team's Stakeholder Engagement process includes both in-depth interviews and a community survey. The project team interviewed 21 community representatives including real estate investors/land owners, private business owners, community and economic development professionals, educators, and elected officials. The Community Survey collected subjective responses from 362 individuals within the Service Area, mostly from within the L-C Valley. The blend of in-depth interviews with a community-wide survey allowed the project team to gain both a broad and a detailed viewpoint of L-C Valley residents' interests and desires.

In-Depth Interviews

Interview participants universally acknowledged that the L-C Valley is predominantly focused on the manufacturing, tourism and healthcare industries. The region's workforce availability, educational options, and workers' expectations all align with these strengths. Interview participants often talked about a culture where "People look for a job rather than creating one." There is a desire for more entrepreneurial programs and courses within both primary and secondary education systems. Many residents also want to see successful entrepreneurs be more visible and vocal within the community as a method for encouraging small business development. The entrepreneurship discussion also ties in with a desire to see early and mid-career people staying local rather than moving to bigger cities for work opportunities.

Regional Strengths

Trade workers/manufacturing

The high concentration of trade workers in the area has been a historical strength due to Lewiston's multi-faceted manufacturing industry (e.g. paper products, jet boats, electrical parts, etc.). Technical and Industrial programs at LCSC such as Diesel Mechanics, Industrial Electronics, and Engineering Technology provide critical support to businesses in these industries. Regional leaders are hopeful that two cutting-edge facilities in DeAtley Career Technical Education Center and the Schweitzer CTE Center will drive further interest to these programs at both the high school and post-secondary levels. Lastly, the rentable flex space at the Port of Lewiston was often mentioned as an asset that supports small and developing businesses in these sectors.

Regional industry diversification

Some interview respondents emphasized the L-C Valley should not be seen in isolation from other surrounding communities which offer their own industry and workforce strengths. With the inclusion of the Palouse area (Latah County and Whitman County), the region has a strong concentration of healthcare facilities, higher education/research, and agribusiness. It is not uncommon for households within the region to include people commuting in numerous directions for employment, including those heading from the L-C Valley to the Palouse, and vice versa. The combination of these communities also provides a cluster of tourism assets that is unique for rural areas in the United States.

High community visibility due to tourism

For a relatively remote area of the Pacific Northwest without freeway access, the L-C Valley has uncommonly high visibility to visitors. Those in the tourism-focused industries emphasize

the combination of “water, wine, and weather” as the three factors which most frequently draw people to the region. Additional complimentary factors include higher education, sporting events, and historical tourism in association with Native American tribes and the Lewis and Clark expedition.

Those in tourism-related industries expect more visitors in coming years. The Lewis-Clark Valley became an accepted American Viticultural Area (AVA) in 2016 and is adding new wineries on a regular basis. The cruise ship industry was experiencing record highs in 2019, as were revenues for lodging providers. Each of these industries has taken a hit in 2020 due to COVID-19, but vendors have confidence in the trajectory of the tourism economy. As noted by some interviewees, outsiders’ perspectives can be more easily shifted than long-term community residents, especially if stimulated by significant real estate and community investments such as the LIH building. Some visitors will simply be coming for a get-away, but others can be swayed to re-locate to areas with a high proportion of live-work-play assets.

Community & Economic Development collaboration

Interviewees who work in community and economic development or who have partnered with professionals in these capacities report a strong collaborative ethic among the various districts and communities. This level of collaboration cannot be taken for granted with multiple cities and counties spanning across a state border. Even among conversations with community leaders across the nine-county area, the overwhelming interest concerns increased regional prosperity. This attitude could result in partnerships between the LIH and other regional institutions in terms of equipment, human resources, education, and special events.

Barriers & Challenges

Transportation/ Location

Often-mentioned as a barrier to building the LIH and developing the surrounding ecosystem is the remote location of the L-C Valley. Local roads and highways accessing the region are not densely-traveled, combined with steep climbs to both the north and south, all of which make it a more difficult place to access than other areas in Idaho and Washington. Though commuting is fairly common across the quad-cities (i.e.: Lewiston, Clarkston, Moscow and Pullman) the drive time to get to the LIH on a regular basis would likely be a challenge for many potential users. The issue is more acute during winter months when road travel across the Lewiston Grade can discourage workers from travelling. Additionally, due to the Lewiston Airport recently losing some flight options, stakeholders often discussed the limited options with getting flights into and out of the L-C Valley.

Internet/Broadband

Another factor that is potentially inhibiting growth within the L-C Valley is the lack of quality internet/broadband infrastructure. While grant-funded projects are currently being implemented throughout the L-C Valley, it is still a significant problem for many that live in the rural areas. In another sense, this can be seen as an opportunity for the LIH, if the facility could use grant funding to tap into the best broadband that the L-C Valley has to offer. This would provide another reason for residents of the nine-county area to regularly visit the LIH.

Two Visions for Lewiston

Stakeholders often stated the Lewiston community has a strong divide of visions on what the community can and should be. The differentiation is sometimes correlated with tenure of living in the L-C Valley. Interviewees report that some long-time residents either do not think or do not want the community to attract professional/technical workers or young workers. Alternatively, more recently tenured retirees, business owners, and workers are frequently more positive about the region's opportunities.

To be fair to those with opposing viewpoints, some who detract from community development concepts may be more concerned about government spending than in the community development concept, per se. As such, it is important that community communication related to the LIH focus the project's potential to stimulate further private sector activity and investment in the region.

Layout of Downtown and the Riverfront

Certain participants among the interviewees emphasized the geographic and design challenges related to riverfront access and usage. Some interviewees talked about their desire to upgrade the riverfront layout and amenities and open it up more to usage for residential, retail, and commercial usage. These interviewees would like to see whether strategic economic development projects or land lease agreements could stimulate more connection between downtown Lewiston and the river, two of the L-C Valley's greatest assets. Though much of the riverfront is owned by local and federal entities, it may be possible to negotiate with landowners on land-lease and easement options.

Gaps & Needs

Funding

Financial constraints were one of the biggest issues that stakeholders repeatedly identified in regards to the LIH project. Even with strong demand and feasibility it may be challenging to obtain financial commitment from local leadership. Though grant funding from the state of Idaho would help the project get off the ground, preparing the facility for occupancy would require signage, equipment, furniture and fixtures, and represent the true vision of Innovation Hub concept. These costs may exceed the extent of available funds. Furthermore, the long-term leadership and operating plan of the LIH could come at an ongoing cost that would not be covered by existing grant funding options. Simply put, the LIH would require some level of dedicated staffing and the community would need to embrace this responsibility if the LIH is to be successful. If the LIH is approved, these factors point to the importance of the advisory board to emphasize grant opportunities immediately. Though state and federal sources should be explored, local and national foundations and corporate entities interested in innovation and economic development should also be targeted.

Low concentration of entrepreneurs and remote workers

The L-C Valley's current strength in manufacturing and the trades leads to a correspondingly low number of the types of workers who might utilize an Innovation Hub. These candidates include remote workers, work-from-homers (WFH), "side hustlers," solopreneurs, technology workers, and small business owners. By the same token, interviewees also recognized that such workers can be relatively difficult to see simply because there is no congregating place within the region. Furthermore, once the core network of entrepreneurs is established,

demand starts to self-perpetuate as such individuals are drawn to the momentum and activity of other such workers.

The positive news revealed from elsewhere in this feasibility study is that there are indeed a fair number of such individuals in the region. That said, this fact does point to the importance of not “overinvesting” in a high square footage facility that would be expensive to finish and difficult to fill. The facility should be designed to the size and specifications that the region can sustain.

Availability of experienced mentors and coaches

Those interviewed report that L-C Valley residents experience in professional business fields is relatively light. Experience types most important to the LIH include fields such as marketing/sales, social media, business investing, commercialization of products, and information technology. Access to people with these skill sets is of utmost importance to many entrepreneurs, so this gap must be filled in some way. If it moves forward, the LIH should immediately determine the actual skills and capacities available in the community and engage any local talent who is willing to volunteer. Remaining gaps could be resolved by connecting with professional networks throughout the nine-county area, use of webinars and professional development tools, and other means.

Self-Recognition of Makers

The region’s manufacturing workforce could potentially be a tremendous complement to the LIH. The “maker” concept starts first and foremost with people who are capable of designing, building, and creating things. As described by one interviewee, “Our residents are very handy—just look at how many hardware and auto parts stores we have.” Some interviewees recognized the conceptual connection between this characteristic and the opportunity, while others had not seen it practiced enough to see the connection. If the project moves forward, the LIH will need to tap into the inner entrepreneur and maker living inside many residents who may not describe themselves with those terms.

Community Survey

Introduction

The project team conducted an electronic survey of community residents over a six-week period during fall 2020. PC focused primarily on online methods of recruitment, targeting community groups and organizations both through existing connections and using social media (mainly LinkedIn and Facebook). Our team collected 383 total responses, of which 362 were qualified. Responses excluded from the analysis were primarily due to the respondent not living in the region or not providing their ZIP code of employment.

Please note that in some of the following tables, an “Average Score” is displayed. This average score is translating the textual responses into quantitative scores (e.g., Strongly Agree = 5, Agree = 4, etc.). This allows the consulting team to rank and compare overall interest levels in various concepts.

The majority of survey respondents are from the L-C Valley (72.7% Nez Perce County and 18.5% Asotin County), with scattered contributions from other locations within the nine-county area. The majority of survey respondents were either employees of a local company or small business owners; another 112 respondents indicated interest in some form of entrepreneurial venture.

Summary of Findings

Figure 2: Heat Map of Survey Respondents

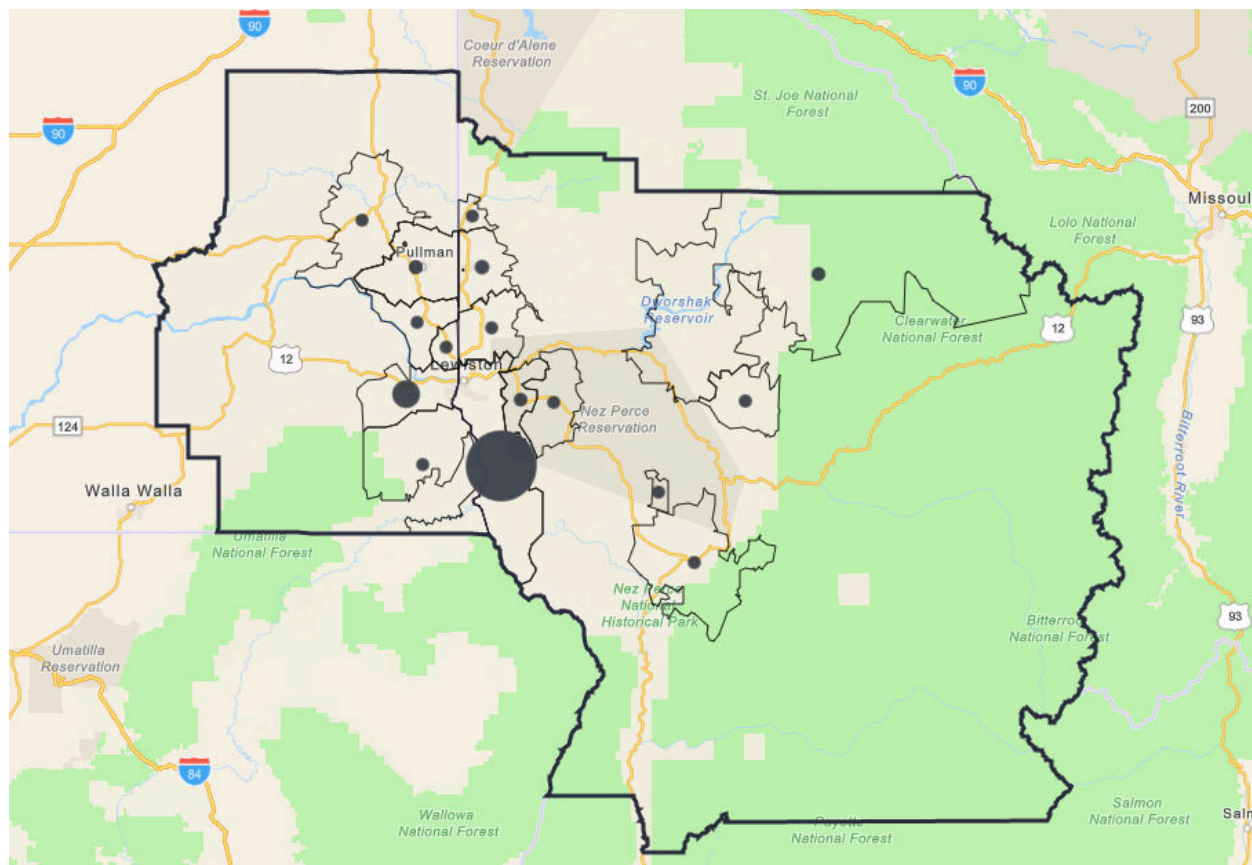


Table 2: Locations of Survey Respondents

Region	Number	Percentage
Nez Perce County	263	72.7%
Asotin County	67	18.5%
Latah County	10	2.8%
Whitman County	9	2.5%
Clearwater County	7	1.9%
Idaho & Lewis Counties	4	1.1%
Other Area	2	0.6%
Grand Total	362	100.0%

Figure 3: What Categories Best Describe Your Work Situation? (Select Up to Two)

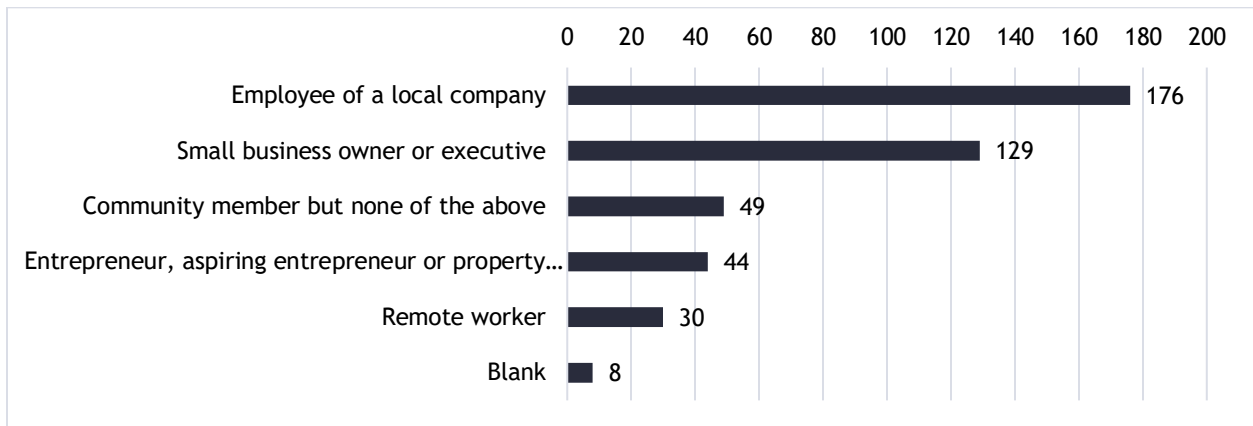


Table 3: What Categories Best Describe Your Work Situation?²⁴

Status	Number	Percentage
Employee of a local company	176	48.6%
Small business owner or executive	129	35.6%
Community member but none of the above	49	13.5%
Entrepreneur, aspiring entrepreneur, or property owner	44	12.2%
Remote worker	30	8.3%
Blank	8	2.2%
Grand Total	436	100.0%

²⁴ Please note, for this question, the total number of responses is larger than the total number of respondents because respondents could select more than one option.

Figure 4: For Small Business Owners/Executives: What Type of Business Are You Engaged In?

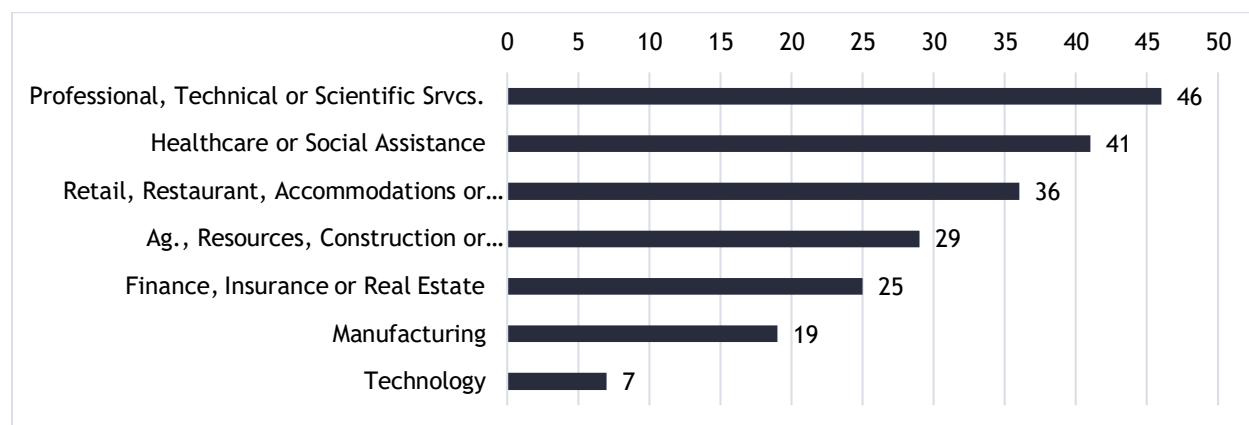


Table 4: For Small Business Owners/Executives: What Type of Business Are You Engaged In?

Industry	Number	Percentage
Professional, Technical or Scientific Svcs.	46	22.7%
Healthcare or Social Assistance	41	20.2%
Retail, Restaurant, Accommodations or Entertainment	36	17.7%
Ag., Resources, Construction or Transportation/Warehousing	29	14.3%
Finance, Insurance or Real Estate	25	12.3%
Manufacturing	19	9.4%
Technology	7	3.4%
Grand Total	203	100.0%

Figure 5: For Aspiring Entrepreneurs: What Type of Business Are You Interested in Starting?

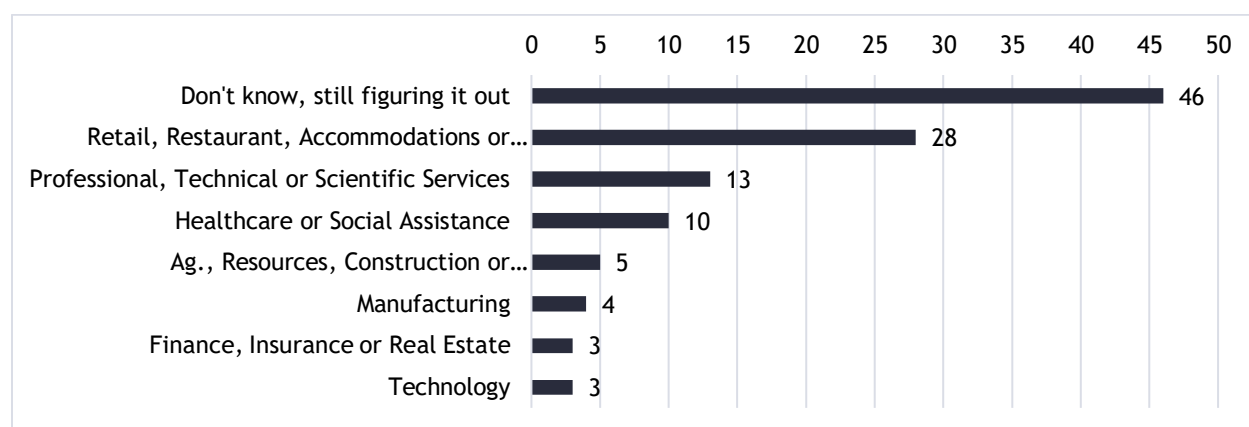


Table 5: For Aspiring Entrepreneurs: What Type of Business Are You Interested in Starting?

Industry	Number	Percentage
Don't know, still figuring it out	46	41.1%
Retail, Restaurant, Accommodations or Entertainment	28	25.0%
Professional, Technical or Scientific Services	13	11.6%
Healthcare or Social Assistance	10	8.9%
Ag., Resources, Construction or Transportation/Warehousing	5	4.5%
Manufacturing	4	3.6%
Finance, Insurance or Real Estate	3	2.7%
Technology	3	2.7%
Grand Total	112	100.0%

Figure 6: For Employees & Remote Workers: What Type of Business Are You Engaged In?

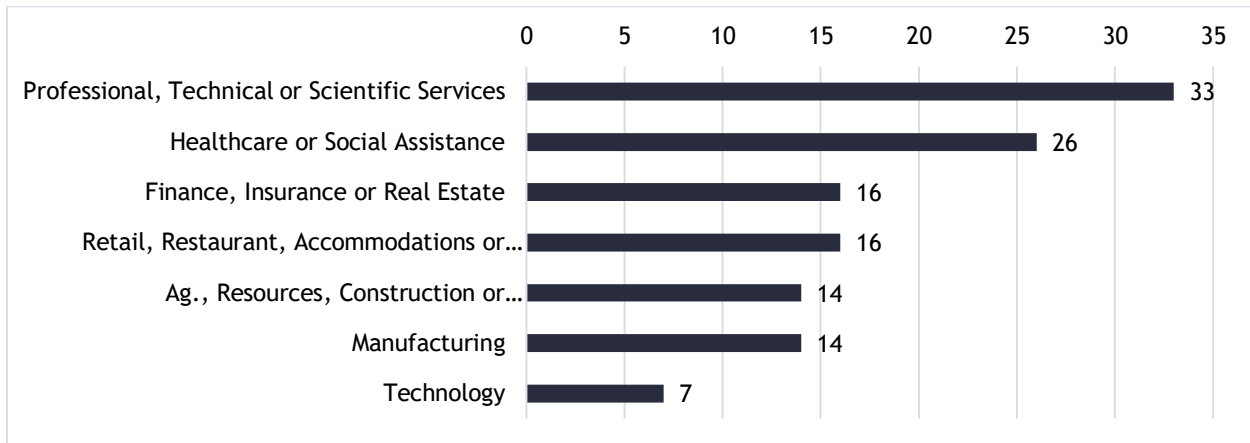


Table 6: For Employees & Remote Workers: What Type of Business Are You Engaged In?

Industry	Number	Percentage
Professional, Technical or Scientific Services	33	26.2%
Healthcare or Social Assistance	26	20.6%
Finance, Insurance or Real Estate	16	12.7%
Retail, Restaurant, Accommodations or Entertainment	16	12.7%
Ag., Resources, Construction or Transportation/Warehousing	14	11.1%
Manufacturing	14	11.1%
Technology	7	5.6%
Grand Total	126	100.0%

Figure 7: To What Extent Do the Following Resources Represent Strengths or Barriers to Entrepreneurship and Innovation?

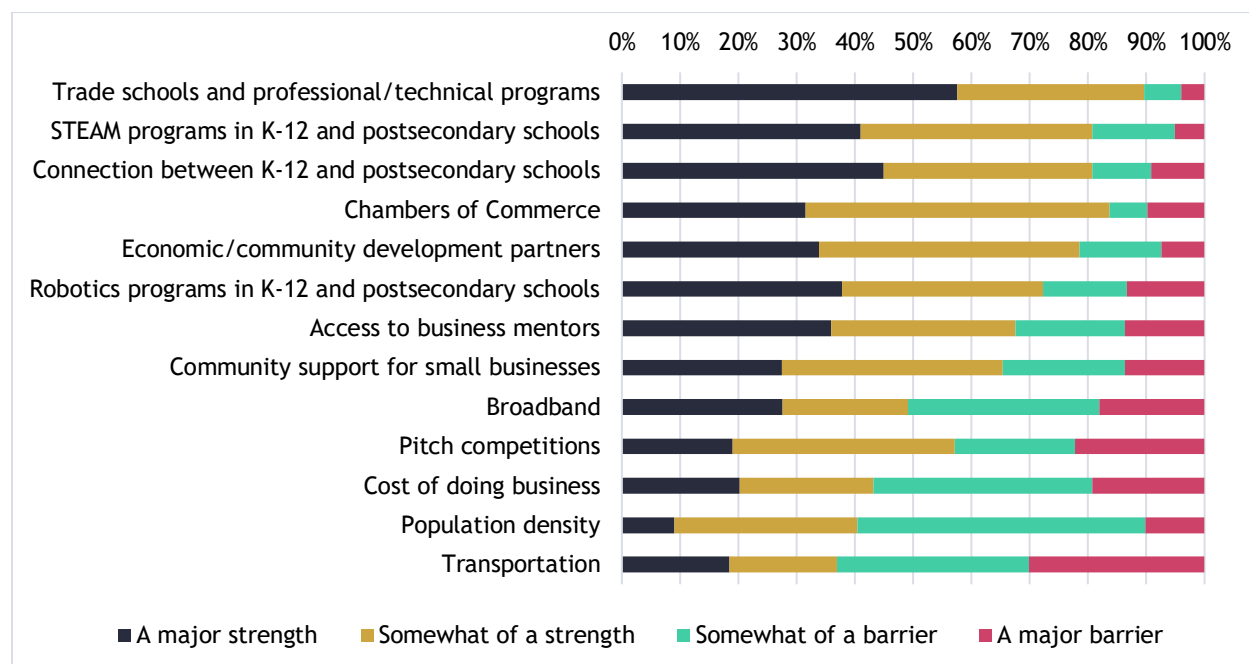


Table 7: Strengths or Barriers to Entrepreneurship and Innovation?

Option	A major strength	Somewh at...stre ngth	Somewh at ...barrier	A major barrier	Don't know	Total	Avg. Score
Trade schools and professional/technical programs	72	40	8	5	2	127	3.43
STEAM programs in K-12 and postsecondary schools	64	62	22	8	52	208	3.17
Connection between K-12 and postsecondary schools	49	39	11	10	10	119	3.17
Chambers of Commerce	29	48	6	9	8	100	3.05
Economic/community development partners	41	54	17	9	5	126	3.05
Robotics programs in K-12 and postsecondary schools	34	31	13	12	18	108	2.97
Access to business mentors	42	37	22	16	3	120	2.90
Community support for small businesses	34	47	26	17	1	125	2.79
Broadband	32	25	38	21	6	122	2.59
Pitch competitions	12	24	13	14	37	100	2.54
Cost of doing business	22	25	41	21	6	115	2.44
Population density	8	28	44	9	7	96	2.39
Transportation	19	19	34	31	7	110	2.25
Grant Total	458	479	295	182	162	231	2.83

Figure 8: To What Extent Do You Agree with the Following Statements?

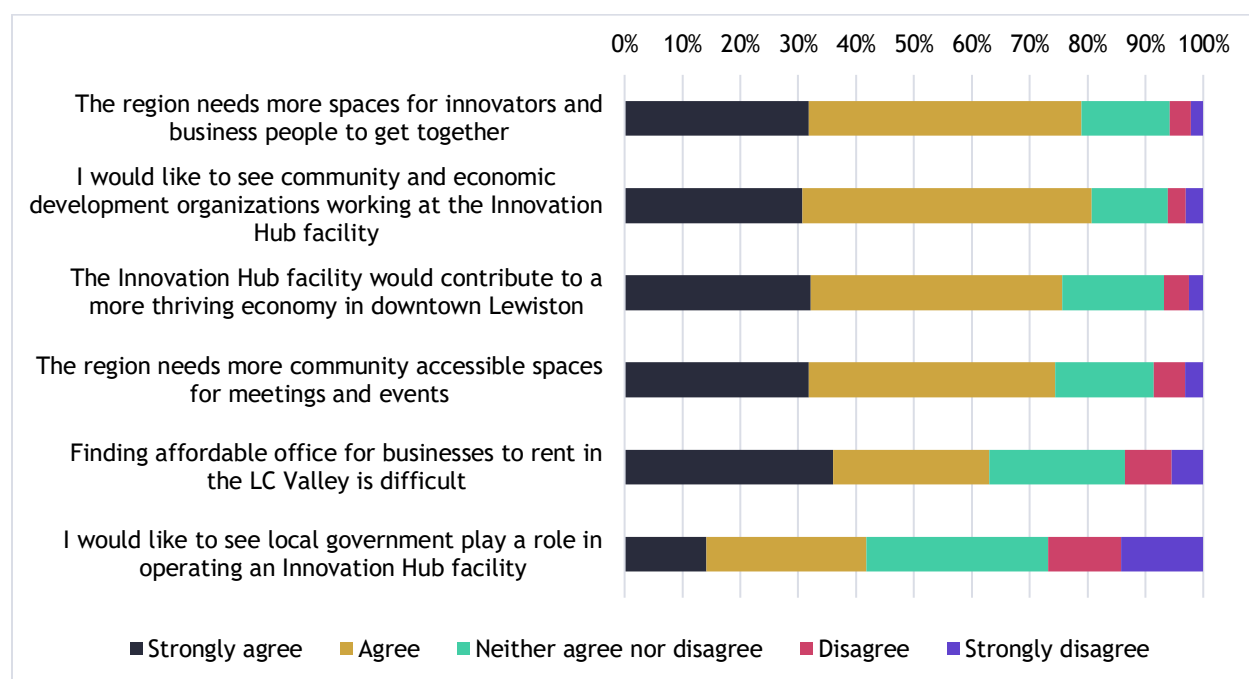


Table 8: To What Extent Do You Agree with the Following Statements?

Option	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know	Total	Avg. Score
The region needs more spaces for innovators and business people to get together	44	65	21	5	3	4	142	4.03
I would like to see community and economic development organizations working at the Innovation Hub facility	40	65	17	4	4	1	131	4.02
The Innovation Hub facility would contribute to a more thriving economy in downtown Lewiston	66	89	36	9	5	12	217	3.99
The region needs more community accessible spaces	41	55	22	7	4	3	132	3.95

for meetings and events								
Finding affordable office for businesses to rent in the LC Valley is difficult	40	30	26	9	6	21	132	3.80
I would like to see local government play a role in operating an Innovation Hub facility	18	35	40	16	18	3	130	3.15
Grant Total	249	339	162	50	40	44	217	3.82

Figure 9: How Interested Are You in Seeing the Following Types of Commercial Space at the LIH?

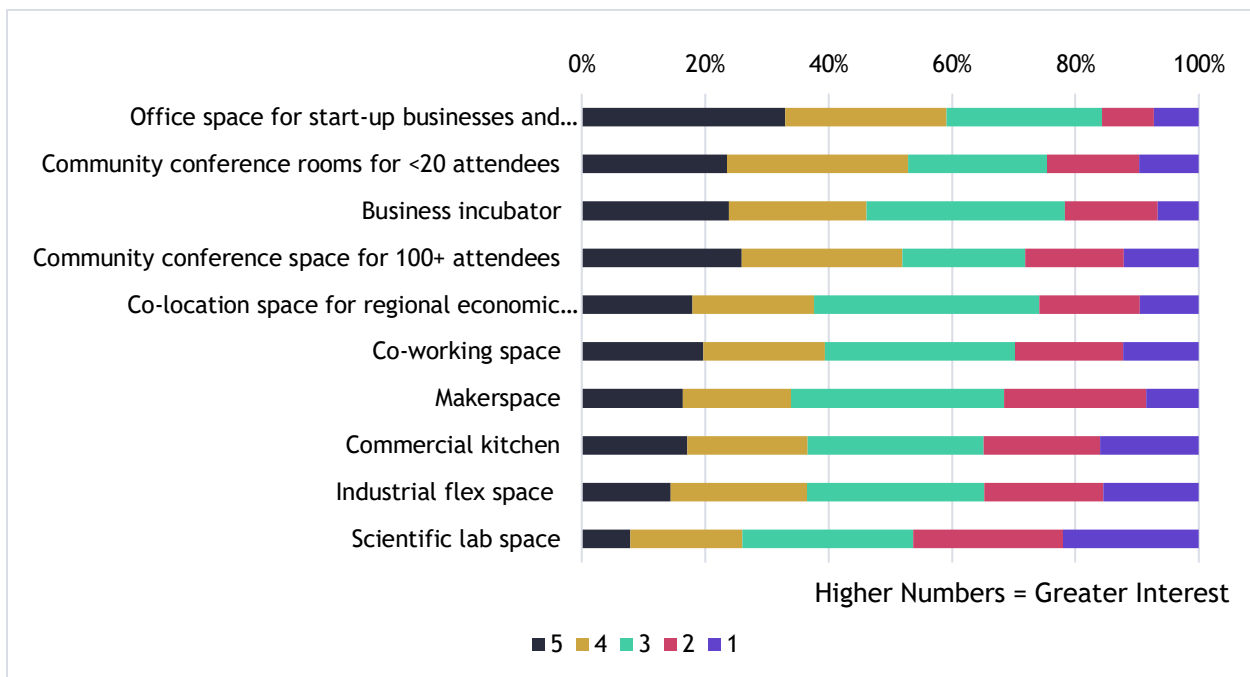


Table 9: How Interested Are You in Seeing the Following Types of Commercial Space at the LIH?

Option	5	4	3	2	1	Total	Avg. Score
Office space for start-up businesses and entrepreneurs	63	50	48	16	14	191	3.69
Community conference rooms for <20 attendees	44	55	42	28	18	187	3.42
Business incubator	43	40	58	27	12	180	3.42
Community conference space for 100+ attendees	47	47	36	29	22	181	3.38
Co-location space for regional economic developers	32	35	65	29	17	178	3.20
Co-working space	37	37	58	33	23	188	3.17
Makerspace	27	29	57	38	14	165	3.10
Commercial kitchen	30	34	50	33	28	175	3.03
Industrial flex space	26	40	52	35	28	181	3.01
Scientific lab space	14	32	49	43	39	177	2.66
Grant Total	363	399	515	311	215	191	3.21

Figure 10: To What Degree Would the Following *Physical Amenities* be Needed at the LIH?

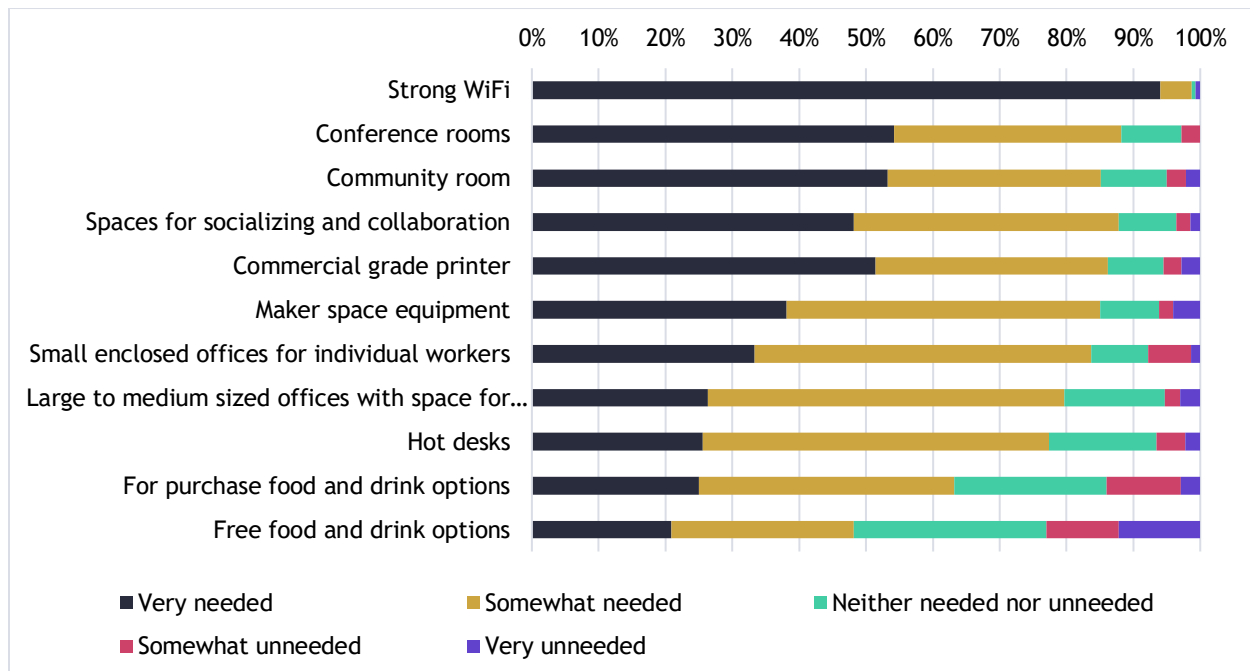


Table 10: To What Degree Would the Following *Physical Amenities* be Needed at the LIH?

Options	Very needed	Some-what needed	Neither needed nor un-needed	Some-what unneeded	Very un-needed	Don't know	Total	Avg. Score
Strong WiFi	142	7	1	0	1	0	151	4.91
Conference rooms	78	49	13	4	0	2	146	4.40
Community room	75	45	14	4	3	4	145	4.31
Spaces for socializing and collaboration	67	55	12	3	2	3	142	4.31
Commercial grade printer	93	63	15	5	5	16	197	4.29
Makerspace equipment	56	69	13	3	6	6	153	4.13
Small enclosed offices for individual workers	47	71	12	9	2	4	145	4.08
Large- to medium-sized offices with space for multiple workers	35	71	20	3	4	9	142	3.98
Hot desks	35	71	22	6	3	10	147	3.94
For purchase food and drink options	34	52	31	15	4	5	141	3.71
Free food and drink options	29	38	40	15	17	7	146	3.34
Grant Total	691	591	193	67	47	66	197	4.13

Figure 11: To What Degree Would the Following *Community Amenities* be Needed at the LIH?

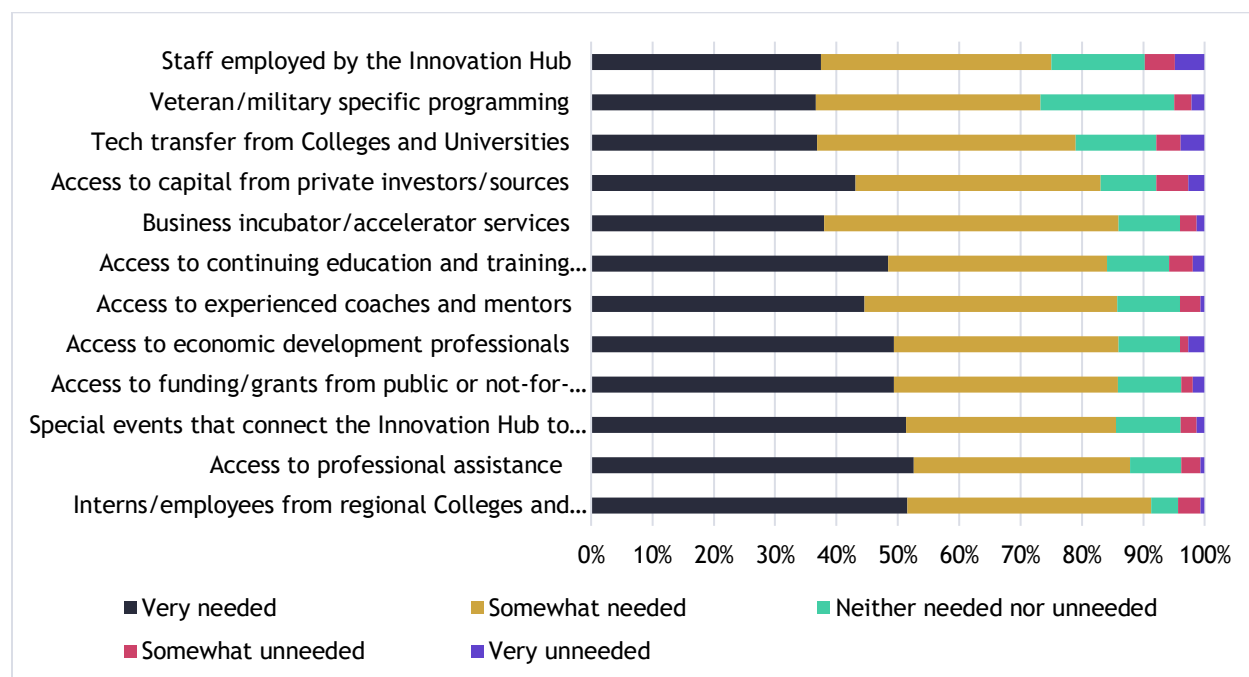


Table 11: To What Degree Would the Following *Community Amenities* be Needed at the LIH?

Options	Very needed	Some-what needed	Neither needed nor un-needed	Some-what unneeded	Very un-needed	Don't know	Total	Avg. Score
Interns/employees from regional Colleges and Universities	83	64	7	6	1	2	163	4.38
Access to professional assistance	82	55	13	5	1	3	159	4.36
Special events that connect the Innovation Hub to the community	78	52	16	4	2	5	157	4.32
Access to funding/grants from public or not-for-profit sources	77	57	16	3	3	1	157	4.29
Access to economic development professionals	74	55	15	2	4	5	155	4.29
Access to experienced coaches and mentors	66	61	15	5	1	6	154	4.26
Access to continuing education and training programs	76	56	16	6	3	3	160	4.25

Business incubator/accelerator services	57	72	15	4	2	14	164	4.19
Access to capital from private investors/sources	66	61	14	8	4	4	157	4.16
Tech transfer from Colleges and Universities	56	64	20	6	6	5	157	4.04
Veteran/military specific programming	52	52	31	4	3	15	157	4.03
Staff employed by the Innovation Hub	69	69	28	9	9	8	192	3.98
Grant Total	836	718	206	62	39	71	192	4.21

Figure 12: How Likely Are You to Lease Space at the LIH?

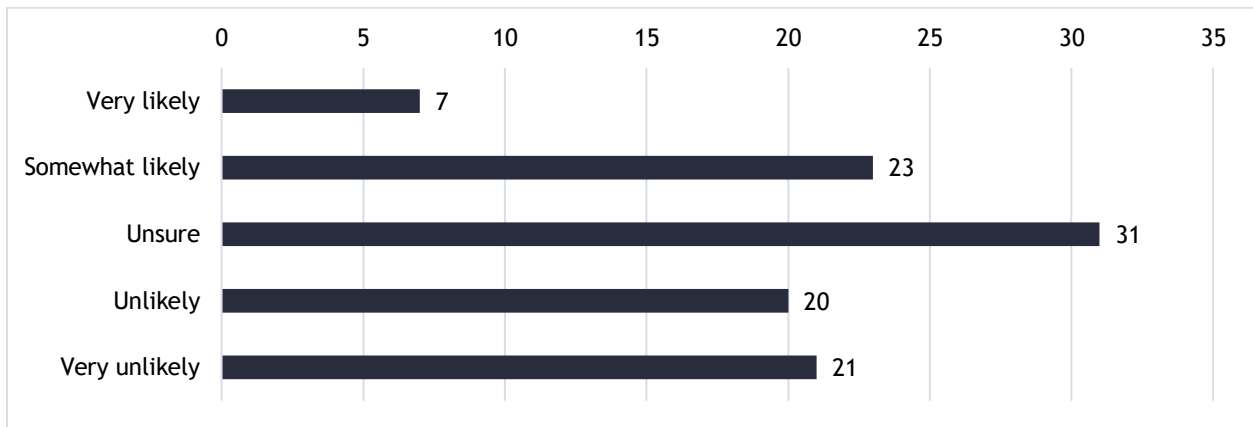


Table 12: How Likely Are You to Lease Space at the LIH?

Option	Number	Percentage
Very likely	7	6.4%
Somewhat likely	23	21.1%
Unsure	31	28.4%
Unlikely	20	18.3%
Very unlikely	21	19.3%
Don't know	7	6.4%
Grand Total	109	100.0%

Figure 13: How Likely is Somebody you Know to Lease Space at the LIH?

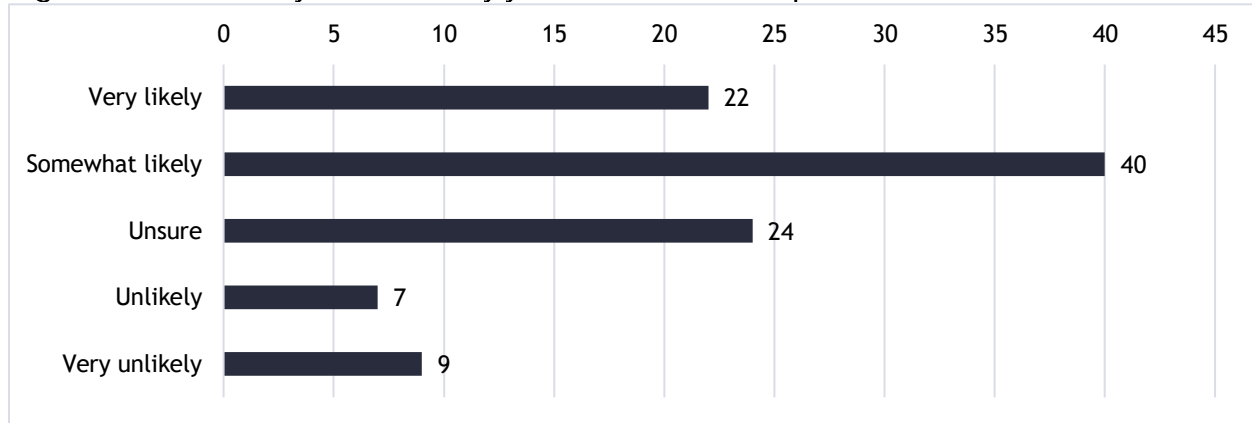


Table 13: How Likely is Somebody you Know to Lease Space at the LIH?

Option	Number	Percentage
Very likely	22	20.4%
Somewhat likely	40	37.0%
Unsure	24	22.2%
Unlikely	7	6.5%
Very unlikely	9	8.3%
Don't know	6	5.6%
Grand Total	108	100.0%

Figure 14: How Long Would You Be Willing to Commute to Access The LIH?

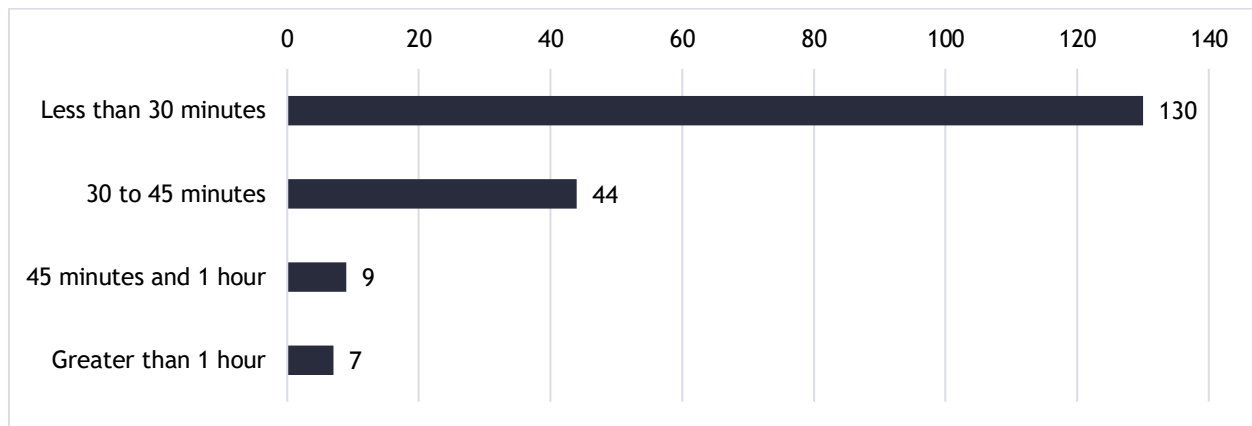


Table 14: How Long Would You Be Willing to Commute to Access The LIH?

Option	Number	Percentage
Less than 30 minutes	130	68.4%
30 to 45 minutes	44	23.2%
45 minutes and 1 hour	9	4.7%
Greater than 1 hour	7	3.7%
Grand Total	190	100.0%

Figure 15: How Often do you Expect you would Visit the LIH, for any Reason?

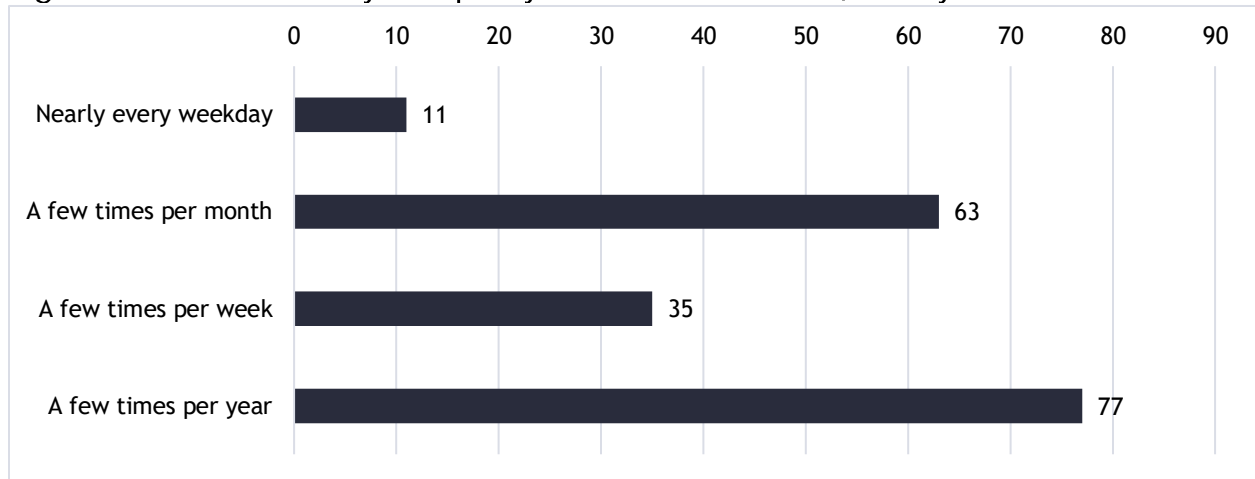


Table 15: How Often do you Expect you would Visit the LIH, for any Reason?

Option	Number	Percentage
Nearly every weekday	11	5.9%
A few times per month	63	33.9%
A few times per week	35	18.8%
A few times per year	77	41.4%
Grand Total	186	100.0%

Figure 16: As a Community Member, what Would you Like to See out of this Facility?

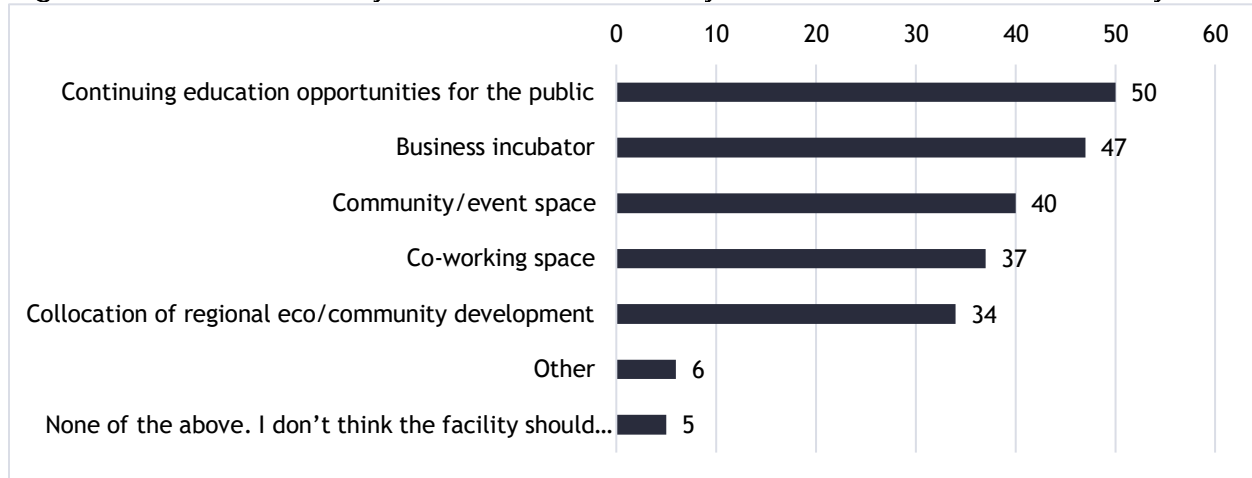


Table 16: As a Community Member, what Would you Like to See out of this Facility?

Option	Number	Percentage
Continuing education opportunities for the public	50	65.8%
Business incubator	47	61.8%
Community/event space	40	52.6%
Co-working space	37	48.7%
Collocation of regional eco/community development	34	44.7%
Other	6	7.9%
None of the above. I don't think the facility should exist.	5	6.6%
Grand Total	76	100.0%

Figure 17: Coded Responses: Do You have other Thoughts on the LIH Concept that you would Like to Share?

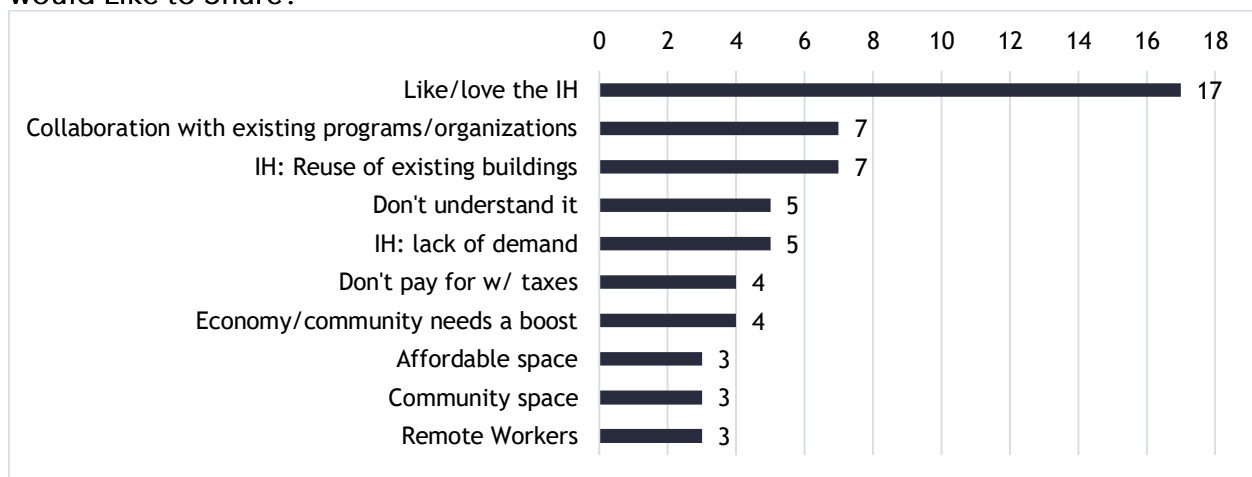


Table 17: Coded Responses: Do You have other Thoughts on the LIH Concept that you would Like to Share?

Option	Number
Like/love the IH	17
Collaboration with existing programs/organizations	7
IH: Reuse of existing buildings	7
Don't understand it	5
IH: lack of demand	5
Don't pay for w/ taxes	4
Economy/community needs a boost	4
Affordable space	3
Community space	3
Remote Workers	3
Twenty-four additional responses with 1 to 3 selections	

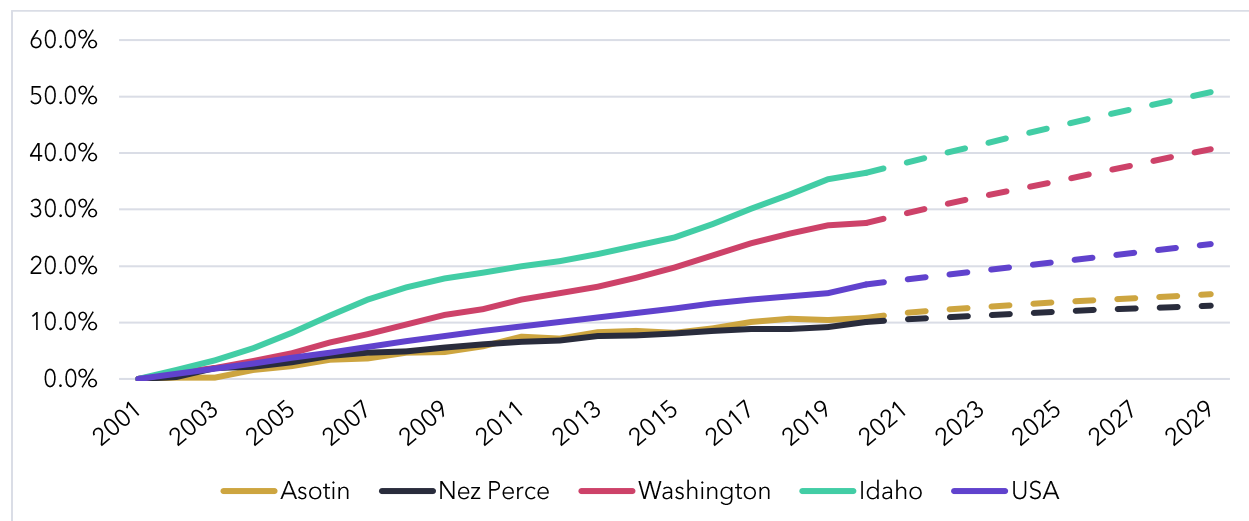
Appendix B: Detailed Socioeconomic Data

Data and analysis in this Appendix are primarily focused on the L-C Valley (i.e.: Nez Perce County, Idaho and Asotin County, Washington), with an occasional broader regional perspective of the full Service Area (i.e.: Clearwater, Idaho, Latah, Lewis, and Nez Perce counties in Idaho, and Asotin, Columbia, Garfield and Whitman counties in Washington). Selections of key metrics and infographic are included in [Chapter III. Regional Supply & Demand Dynamics](#) but much more data are contained in this Appendix than in the prior Chapter.

Demographic Trends

In addition to measuring population changes, in general, it is also important to track how regional populations are changing due to relocations, and according to characteristics such as age, and race/ethnicity. In addition to standard Census-based sources, this section also includes analysis of more recent migratory trends since the advent of COVID.

Figure 18: Past & Projected Population Growth: L-C Valley & Benchmarks



Source: Points Consulting using data from Idaho Department of Labor and Washington Office of Financial Management

Table 18: Past and projected population trends: L-C Valley & benchmarks²⁵

Region	2019 Population	Past 10-Years Growth	Projected 10-Year Growth	Past 10-Year CAGR	Projected 10-Year CAGR
Nez Perce	40,408	1,359	1,391	0.34%	0.34%
Asotin	22,582	1,167	933	0.53%	0.41%
Idaho	1,787,065	232,626	203,167	1.40%	1.08%
Washington	7,614,893	947,467	805,327	1.34%	1.01%
USA	328,239,523	21,467,994	24,768,477	0.68%	0.73%

Source: Points Consulting using data from Idaho Department of Labor and Washington Office of Financial Management

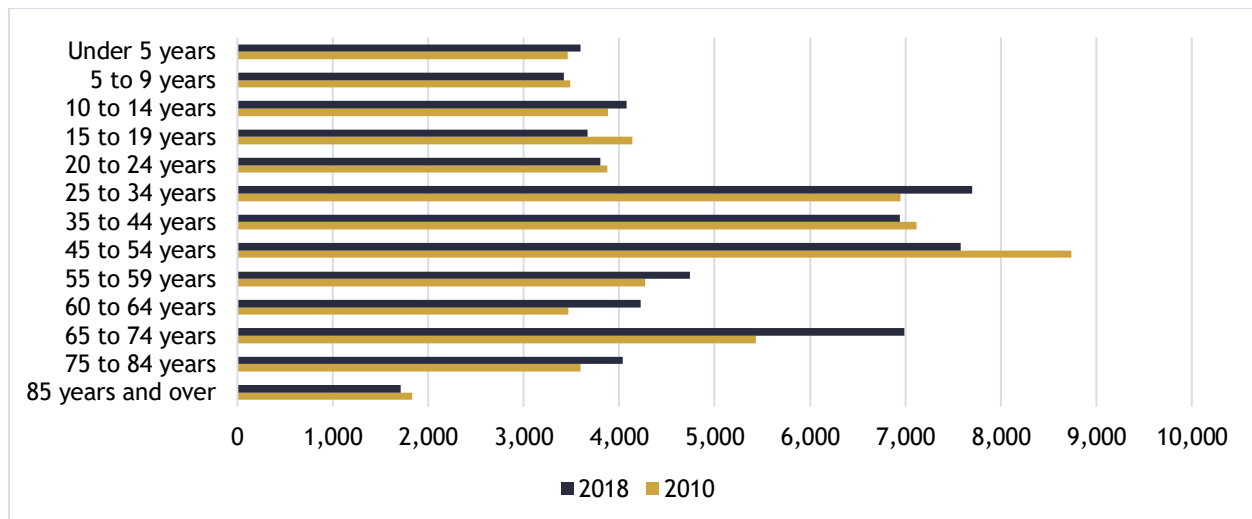
²⁵ CAGR is Compound Annual Growth Rate.

Table 19: Migratory & Natural Population Change: Service Area

County	2019 Population	10'-19' Numeric Change	10'-19' % Change	Growth from Natural Increase	% Growth from Natural Increase	Growth from Net Migration	% Growth from Net Migration
Clearwater	8,756	(5)	(0.1%)	(401)	(50.1%)	399	49.9%
Idaho	16,667	400	2.5%	(242)	(60.5%)	658	164.5%
Latah	40,108	2,864	7.7%	2,029	70.8%	850	29.7%
Lewis	3,838	17	0.4%	(9)	(52.9%)	30	176.5%
Nez Perce	40,408	1,143	2.9%	(196)	(17.1%)	1,363	119.2%
Asotin	22,582	959	4.4%	(97)	(10.1%)	1,058	110.3%
Columbia	3,985	(93)	(2.3%)	(169)	181.7%	73	(78.5%)
Garfield	2,225	(41)	(1.8%)	(31)	75.6%	(10)	24.4%
Whitman	50,104	5,328	11.9%	1,551	29.1%	3,691	69.3%
Service Area	188,673	10,572	5.9%	2,435	23.0%	8,112	76.7%

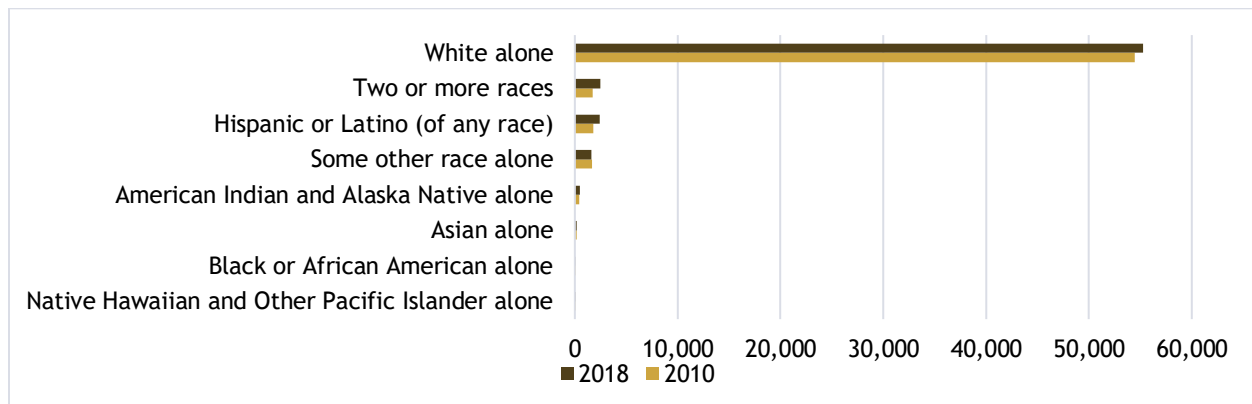
Source: United States Census Bureau, Annual Population Estimates, 2010- 2019

Figure 19: Population by Age Change: L-C Valley, 2010-2018



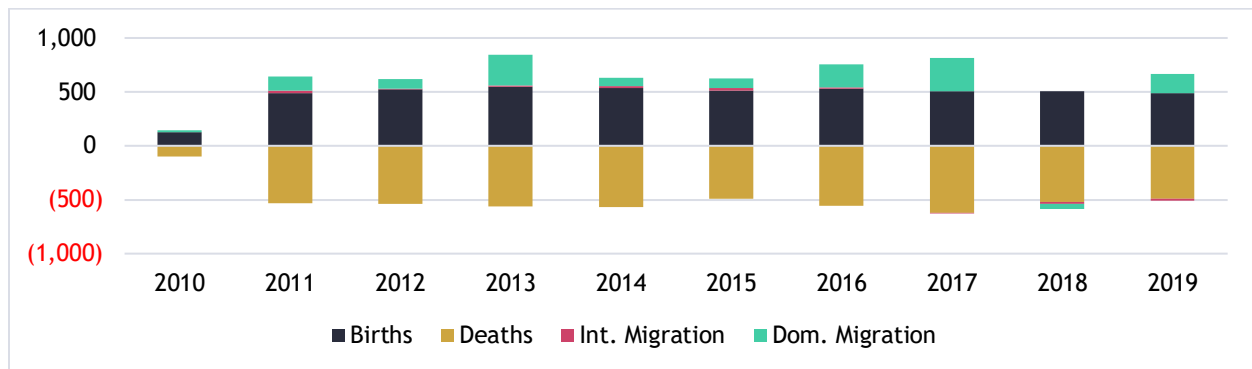
Source: United States Census Bureau, Annual Population Estimates, 2010-2018

Figure 20: Population by Race/Ethnicity: L-C Valley, 2010-2019



Source: United States Census Bureau, 5-Yr Annual Population Estimates, 2010- 2018

Figure 21: Sources of Population Growth: L-C Valley, 2010-2019



Source: Points Consulting based on United States Census Bureau, Annual Population Estimates, 2010-2019

Table 20: Gross In-& Out-Migration by County, 2014-2019

Region	Gross In-Migration	Gross Out-Migration	Net Migration	Net Migration Ratio to 2019 Population
Clearwater	782	(513)	269	3.1%
Idaho	1,620	(1,112)	508	3.0%
Latah	5,610	(4,573)	1,037	2.6%
Lewis	273	(597)	(324)	(8.4%)
Nez Perce	2,815	(2,974)	(159)	(0.4%)
Asotin	1,813	(1,517)	296	1.3%
Columbia	299	(372)	(73)	(1.8%)
Garfield	196	(53)	143	6.4%
Whitman	10,914	(5,147)	5,767	11.5%
Service Area	24,322	(16,858)	7464	4.0%

Source: US Census Bureau, Annual Population Estimates, 5-Yr Annual Population Estimates, 2014- 2019

Table 21: Recent Migration Trends, January - November, 2020

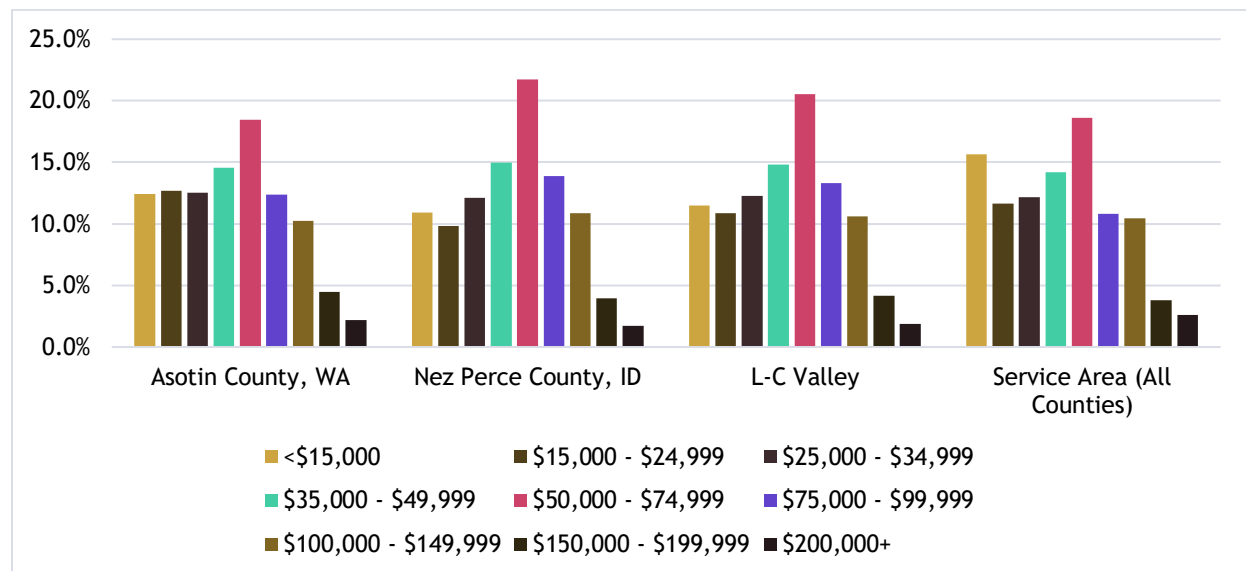
County	Cumulative % Change	Low-Income % Change	High-Income % Change
Clearwater, ID	2.1%	0.0%	0.0%
Idaho, ID	6.8%	14.9%	0.0%
Latah, ID	7.2%	(66.2%)	154.7%
Lewis, ID	7.0%	(10.6%)	0.0%
Nez Perce, ID	3.6%	48.4%	(8.5%)
Asotin, WA	3.0%	(18.0%)	5.8%
Columbia, WA	4.4%	0.0%	0.0%
Garfield, WA	11.1%	0.0%	0.0%
Whitman, WA	13.8%	(46.3%)	71.8%
Service Area	3.6%	(32.3%)	39.3%
Idaho	4.0%	(9.3%)	5.4%
Washington	0.3%	(1.1%)	0.4%

Source: Cuebiq Mobility Insights, Home Switchers Analysis

Household Income, Employment & Commuter Trends

Prior to exploring statistics specific to entrepreneurship and innovation, it is necessary to cover the basics of the regional economy, namely income levels, commuting patterns, and industry employment.

Figure 22: Distribution of Household Income



Source: Points Consulting, using Esri Business Analyst

Table 22: Distribution of Population by Household Income

Value	Asotin County, WA	Nez Perce County, ID	L-C Valley	Service Area (All Counties)
<\$15,000	12.4%	10.9%	11.5%	15.7%
\$15,000 - \$24,999	12.7%	9.8%	10.9%	11.6%
\$25,000 - \$34,999	12.5%	12.1%	12.3%	12.2%
\$35,000 - \$49,999	14.6%	15.0%	14.8%	14.2%
\$50,000 - \$74,999	18.5%	21.7%	20.5%	18.6%
\$75,000 - \$99,999	12.4%	13.9%	13.3%	10.8%
\$100,000 - \$149,999	10.2%	10.9%	10.6%	10.4%
\$150,000 - \$199,999	4.5%	3.9%	4.1%	3.8%
\$200,000+	2.2%	1.7%	1.9%	2.6%

Source: Points Consulting, using Esri Business Analyst

Table 23: In and Out Commuter Patterns: L-C Valley Region²⁶

Region	In-Commuters	Out-Commuters	Living & Working in County
Nez Perce, ID	43.6%	34.8%	56.4%
Asotin, ID	56.8%	70.1%	43.2%
L-C Valley	26.5%	26.2%	73.5%

Source: US Census Bureau, On the Map, LEHD Origin-Destination Employment Statistics

Table 24: Top In- and Out-Commuter Locations by city for L-C Valley Region

Rate of Commuters from		Rate of Commuters to	
Lewiston, ID	42.3%	Lewiston, ID	(48.8%)
Clarkston, WA	8.4%	Clarkston, WA	(11.1%)
Clarkston Heights-Vinland CDP, WA	6.9%	Moscow, ID	(3.0%)
West Clarkston-Highland CDP, WA	5.7%	Pullman, WA	(2.4%)
Moscow, ID	2.3%	Lapwai, ID	(1.7%)

Source: US Census Bureau, On the Map, LEHD Origin-Destination Employment Statistics

Table 25: 2020 Industry Employment: L-C Valley, Service Area

Industry	L-C Valley		Service Area	
	Employment	LQ	Employment	LQ
Agriculture/Forestry/Fishing	653	1.85	4,074	4.00
Mining/Quarrying/Oil & Gas	79	0.60	147	0.40
Construction	2,293	1.12	5,572	0.96
Manufacturing	4,316	1.47	8,911	1.07
Wholesale Trade	670	0.96	1,558	0.80
Retail Trade	3,373	1.26	7,974	1.04
Transportation/Warehousing	712	0.55	1,800	0.49
Utilities	223	0.89	524	0.78
Information	352	0.72	1,053	0.72
Finance/Insurance	1,306	0.96	2,458	0.63
Real Estate/Rental/Leasing	336	0.57	971	0.57
Professional/Scientific/Tech	1,243	0.55	4,616	0.72
Admin/Support/Waste Management	576	0.54	1,176	0.38
Educational Services	2,772	1.03	15,107	1.98
Health Care/Social Assistance	4,892	1.17	11,699	0.98
Arts/Entertainment/Recreation	479	1.06	1,180	0.94

²⁶ Percentage of In-Commuters is based on the region's total workforce (i.e. daytime population). Percentage of Out-commuters is based on region's adult working population.

Accommodation/Food Services	1,179	0.77	3,763	0.86
Other Services (Excluding Public)	1,049	0.83	2,788	0.76
Public Administration	1,183	0.90	3,440	0.92
Total	27,686	--	78,811	--

Source: Points Consulting, using Esri Business Analyst

Table 26: Work from Home Characteristics, Service Area

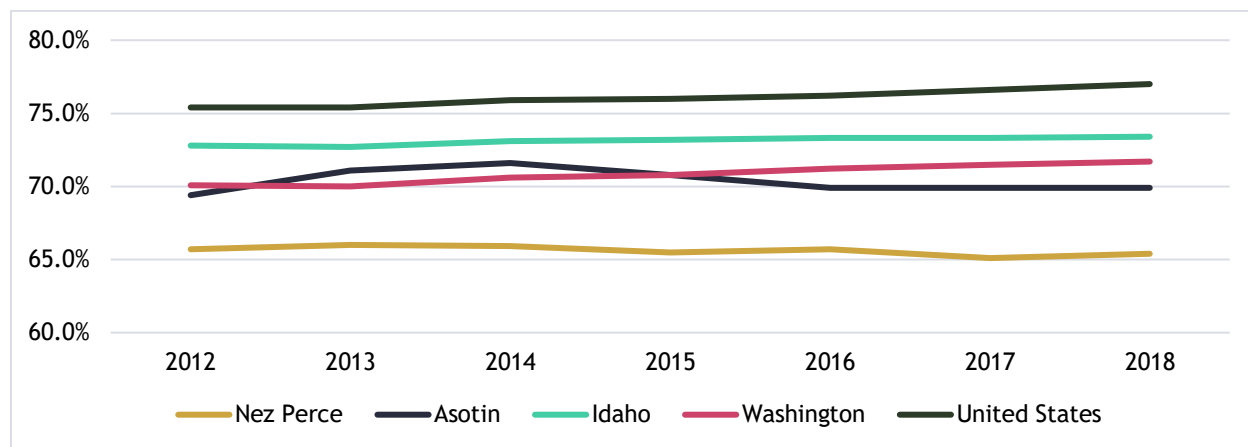
Region	# of People Working from Home	Percent of Workforce
Clearwater	202	6.9%
Idaho	556	8.8%
Latah	855	4.4%
Lewis	66	4.4%
Nez Perce	959	5.1%
Asotin	370	3.8%
Columbia	125	7.1%
Garfield	54	5.9%
Whitman	1,024	4.5%
Idaho	46,006	6.0%
Washington	207,176	5.9%
United States	7,422,933	4.9%

Source: US Census Bureau American Community Survey, 2018 5-Year Estimates

Innovation & Entrepreneurship Metrics

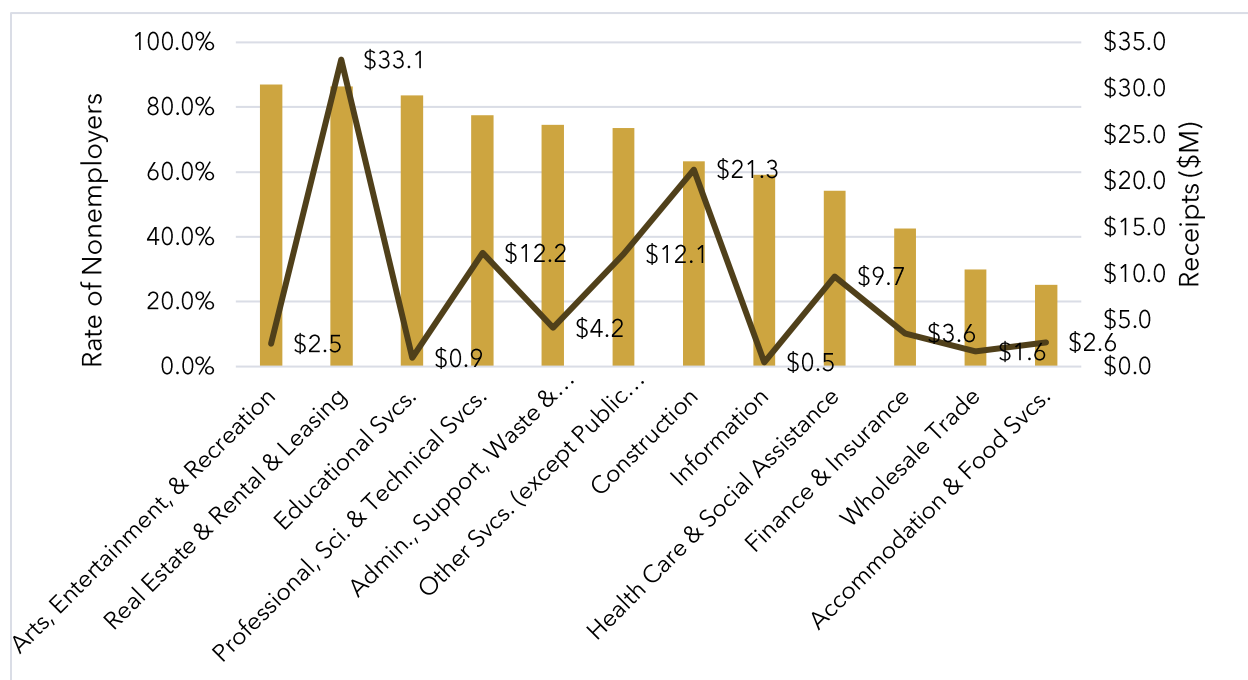
It is difficult to precisely quantify the hybrid group of individuals who would frequently utilize the LIH because statistical agencies rarely identify workers according to such amorphous groupings. There are, however, numerous metrics that focus on categories such as legal entities with no employees, small to very small businesses, new market entrants, and patent data.

Figure 23: Nonemployer Trends over Time: L-C Valley



Source: Nonemployer Statistics and County Business Patterns, 2012-2018

Figure 24: Rate of Nonemployers & Income by Industry: L-C Valley 2018



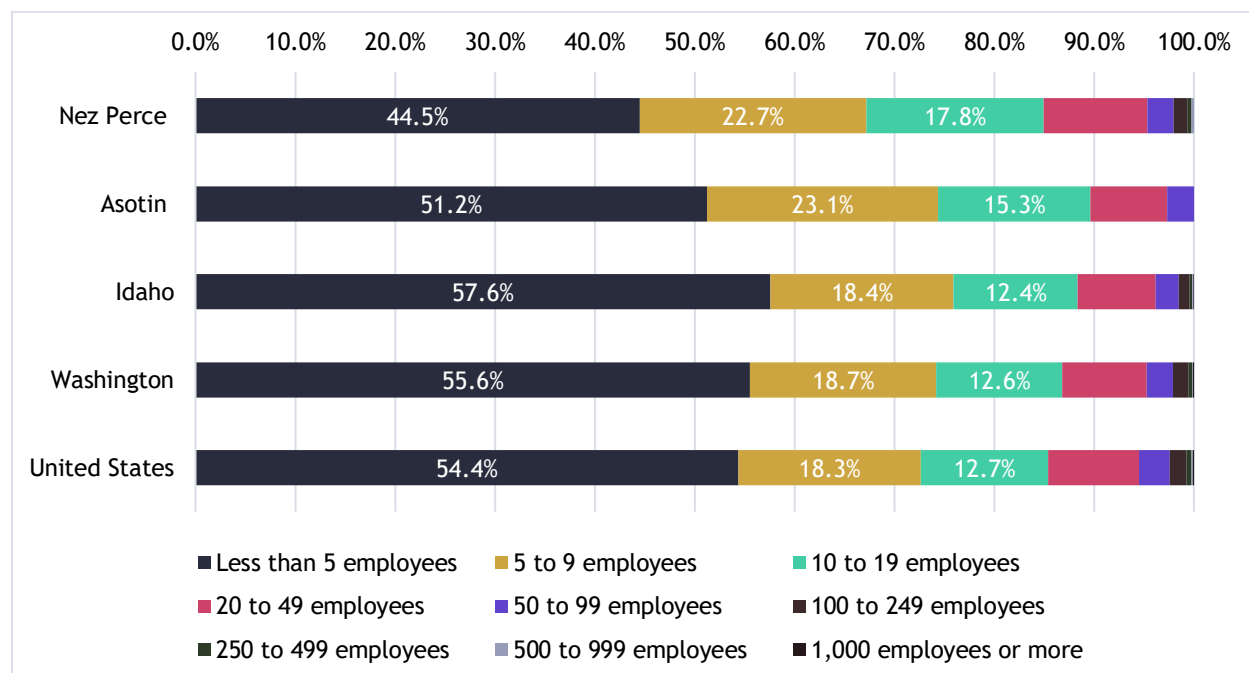
Source: Points Consulting using Nonemployer Statistics and County Business Patterns, 2018

Table 27: Nonemployer Characteristics by Industry: L-C Valley, 2018

Row Labels	Establishments	Receipts (\$K)	% Nonemployer Establishments
Agriculture, Forestry, Fishing and Hunting	107	\$4,128.0	--
Construction	325	\$21,293.0	63.4%
Wholesale Trade	26	\$1,607.0	29.9%
Information	42	\$450.0	59.2%
Finance and Insurance	80	\$3,579.0	42.6%
Real Estate and Rental and Leasing	409	\$33,144.0	86.5%
Professional, Scientific, and Technical Services	378	\$12,246.0	77.5%
Accommodation and Food Services	47	\$2,605.0	25.1%
Administrative and Support and Waste Management and Remediation Services	261	\$4,163.0	74.6%
Educational Services	108	\$924.0	83.7%
Health Care and Social Assistance	228	\$9,729.0	54.3%
Arts, Entertainment, and Recreation	166	\$2,481.0	86.9%
Other Services (except Public Administration)	404	\$12,108.0	73.6%
Total	3,148	\$132,170.0	66.8%

Source: Points Consulting using Nonemployer Statistics and County Business Patterns, 2018

Figure 25: Number of Establishments by Firm Size: L-C Valley, 2017



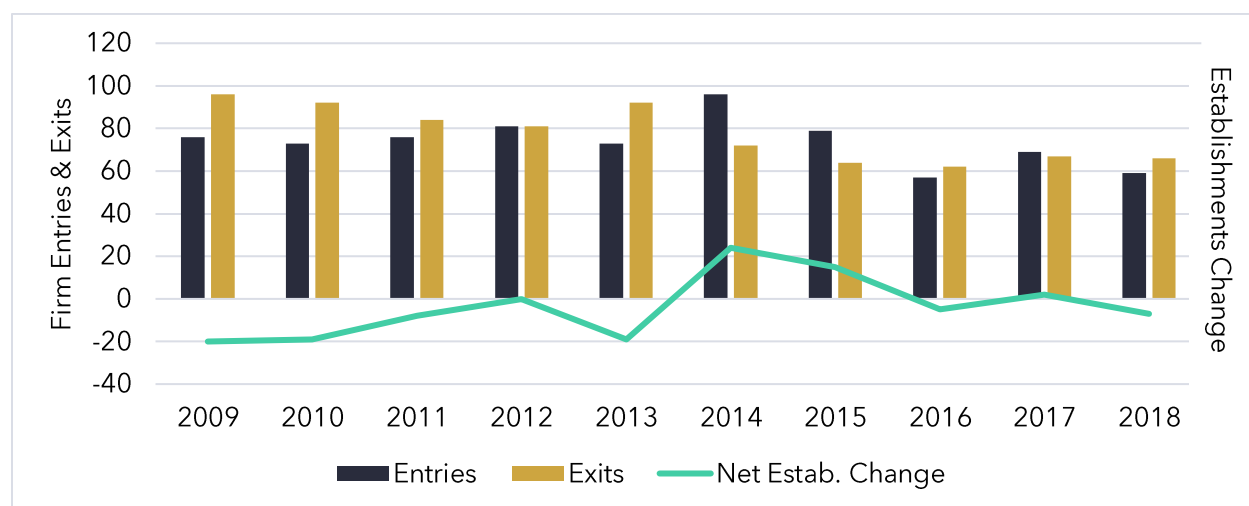
Source: Points Consulting using County Business Patterns, 2017

Table 28: Number of Establishments by Firm Size: L-C Valley, 2017

	Nez Perce	Asotin	Idaho	Wash- ington	Nation
Less than 5 employees	44.5%	51.2%	57.6%	55.6%	54.4%
5 to 9 employees	22.7%	23.1%	18.4%	18.7%	18.3%
10 to 19 employees	17.8%	15.3%	12.4%	12.6%	12.7%
20 to 49 employees	10.3%	7.6%	7.8%	8.5%	9.1%
50 to 99 employees	2.7%	2.7%	2.3%	2.7%	3.1%
100 to 249 employees	1.4%	0.0%	1.1%	1.5%	1.7%
250 to 499 employees	0.4%	0.0%	0.3%	0.4%	0.5%
500 to 999 employees	0.3%	0.0%	0.1%	0.1%	0.2%
1,000 employees or more	0.0%	0.0%	0.1%	0.1%	0.1%
Total # of establishments	1,132	449	47,574	191,045	7,860,674

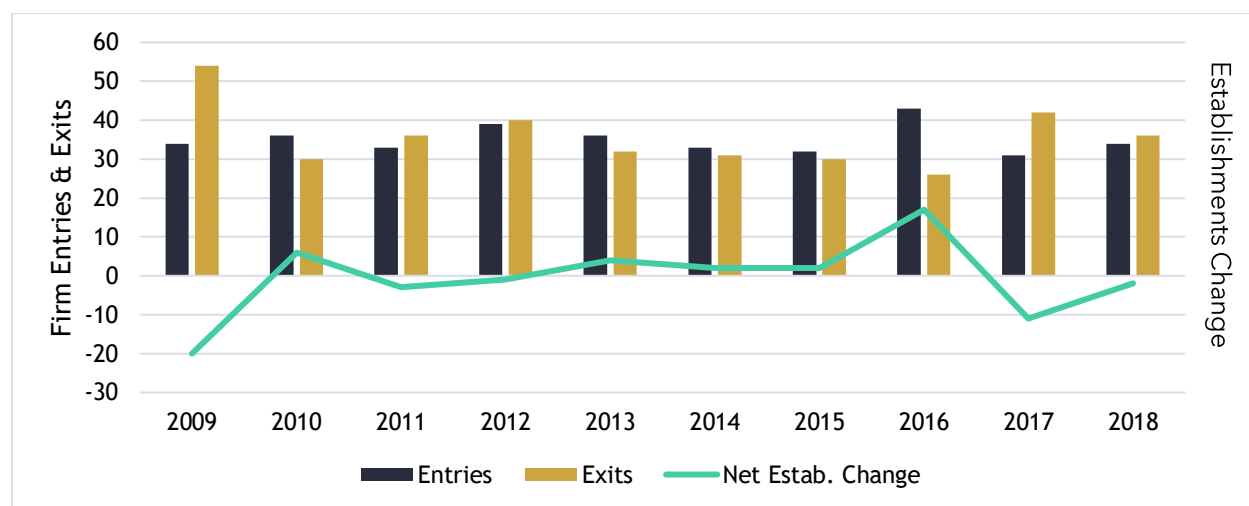
Source: Points Consulting using County Business Patterns, 2017

Figure 26: Business Dynamics, Nez Perce County, 2009-2018



Source: Points Consulting using Business Dynamics Survey, 2009-2018

Figure 27: Business Dynamics, Asotin County, 2009-2018



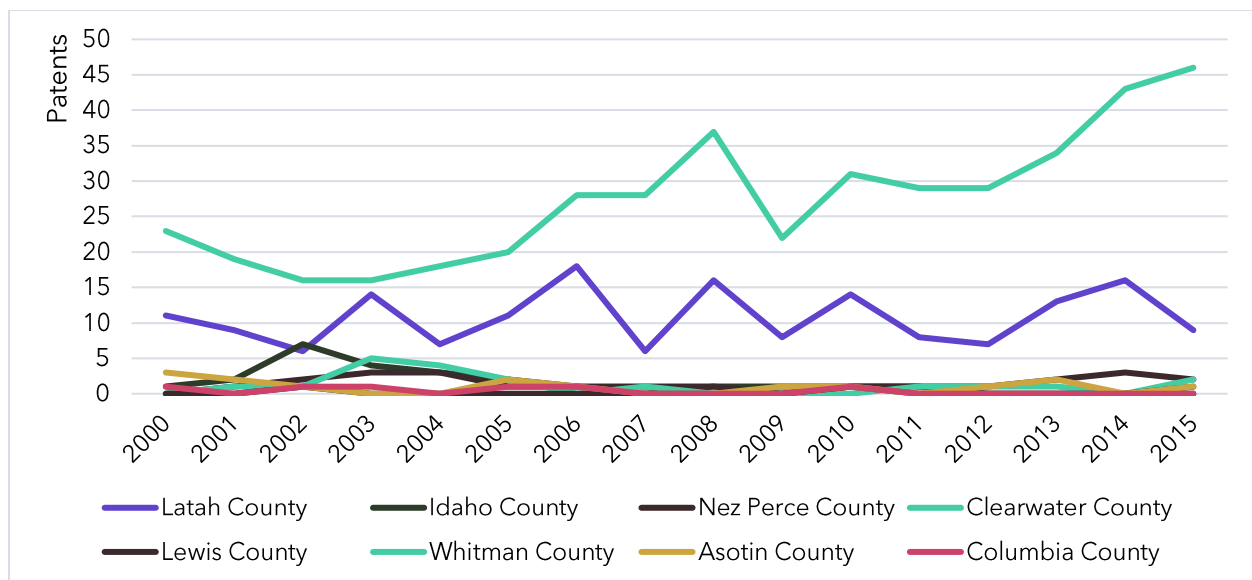
Source: Points Consulting using Business Dynamics Survey, 2009-2018

Table 29: Business Dynamics Comparison: L-C Valley

Region	-----2018 Metrics-----			
	10-Year Average Churn Rate	Entries Rate	Exit Rate	Churn Rate
Asotin	(0.2%)	8.3%	8.8%	(0.5%)
Nez Perce	(0.3%)	5.7%	6.3%	(0.7%)
Washington	0.7%	10.1%	8.6%	1.5%
Idaho	0.6%	11.1%	7.9%	3.2%
Nation	0.5%	9.1%	8.4%	0.7%

Source: Points Consulting using Business Dynamics Survey, 2009-2018

Figure 28: Patent Generation: Service Area, 2000 - 2015



Source: US Patent and Trademark Office, Patent Technology Monitoring 2000 - 2015

Table 30: Rate of Patents per 1,000 population (2000 - 2015)

County	'00 - '15 Total	Rate per 1,000 Persons
Clearwater County	19	2.2%
Idaho County	24	1.5%
Latah County	173	4.5%
Lewis County	3	0.8%
Nez Perce County	23	0.6%
Asotin County	15	0.7%
Columbia County	6	1.5%
Garfield County	0	0.0%
Whitman County	439	9.1%

Source: US Patent and Trademark Office, Patent Technology Monitoring Team for years 2000 - 2015

Assessment of Peer Facilities

PC's analysis of the Service Area indicates a handful of Peer Facilities, none of which approach the size, scope, and services intended to be offered by the LIH. Within the nine-county area, there are currently six facilities that provide a portion of the coworking, business incubator, or other form of comparable services. Notably, most true space-sharing facilities are located in the Pullman/Moscow area rather than in the L-C Valley. Table 31 provides a summary of key factors related to each.

Table 31: Peer Facilities

Name (Location)	Size	Pricing Policies	Broadband Availability	Features
Port of Lewiston (Lewiston, ID)	~12k SF	1st Year: \$0.24/SF/mo; 2nd Year: \$0.28/SF/mo; 3rd Year: \$0.32/SF/mo.	Lessee's responsibility	Primarily an office space with affordable rent for manufacturing tenants
The Avista Center for Entrepreneurship/ Workforce Center at WWCC (Clarkston, WA)	~15k SF	Free to students, unavailable to public	N/A	A few classrooms, some common area, and designated areas for more industrial type work.
WSU "Spark" Innovation Hub (Pullman, WA)	~80k SF	Free to students, unavailable to public	N/A	A state-of-the-arts- facility with many rooms and study areas. It serves as a learning facility. Equipped with innovative spaces and technology
Research and Technology Park (Pullman, WA)	2 buildings: 53k & 25k SF	\$15- \$25 SF/ year	N/A	Tech park operated by City, with space for lease to tenants but no associated programming/education.
MosCoWork (Moscow, ID)	1.5k SF	Basic: \$125; Pro: \$150; Booth: \$200	100 MB Fiber via Wifi	Co-working space with conference room; no associated programming/education.
Nine to Five Coworking (Moscow, ID)	2.2k SF	Entry-level: 1-Year: \$299/mo; 60-Day: \$329/mo; 30-Day: \$349/mo; Daily: \$35	High-speed Fiber-optic internet	Co-working and private office space with conference rooms; networking events; no associated programming/education.

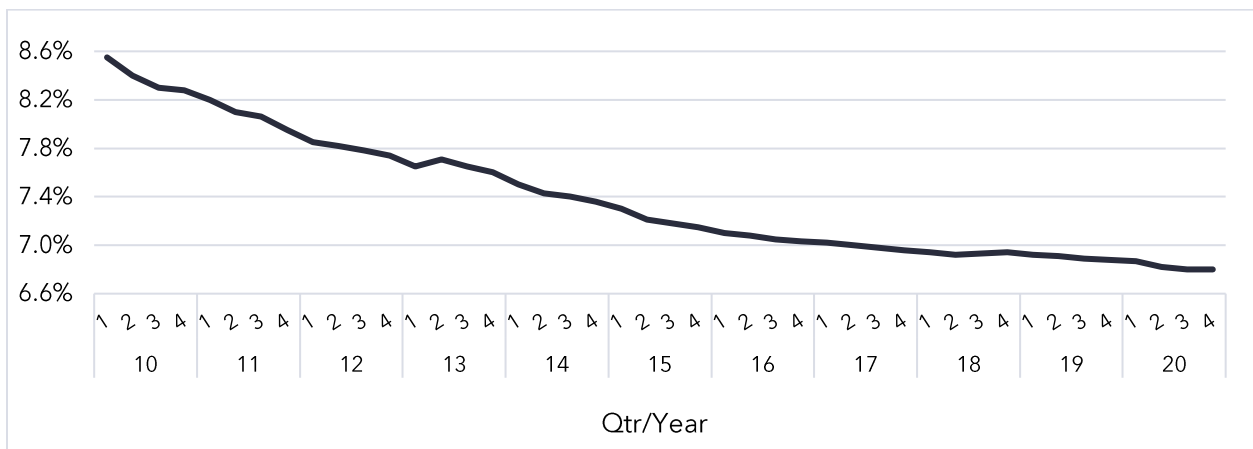
Commercial Market Statistics

Table 32: Commercial Market Statistics

	L-C Valley	12-mo % Change	Service Area	12-mo % Change
Inventory: Square Feet (SF)	7,100,000	0.0%	1,400,000	0.0%
Under Construction SF	30,000	0.0%	5,000	0.0%
12-mo Net Absorption SF	142,000	(514.7%)	10,100	(79.8%)
Vacancy Rate	5.0%	2.0%	2.9%	0.7%
Market Rent/SF	\$10.80	1.0%	\$19.34	0.1%
Market Rent Sale Price/SF	\$123.00	4.4%	\$168.00	1.1%
Market Cap Rate	7.0%	(0.1%)	8.1%	0.1%

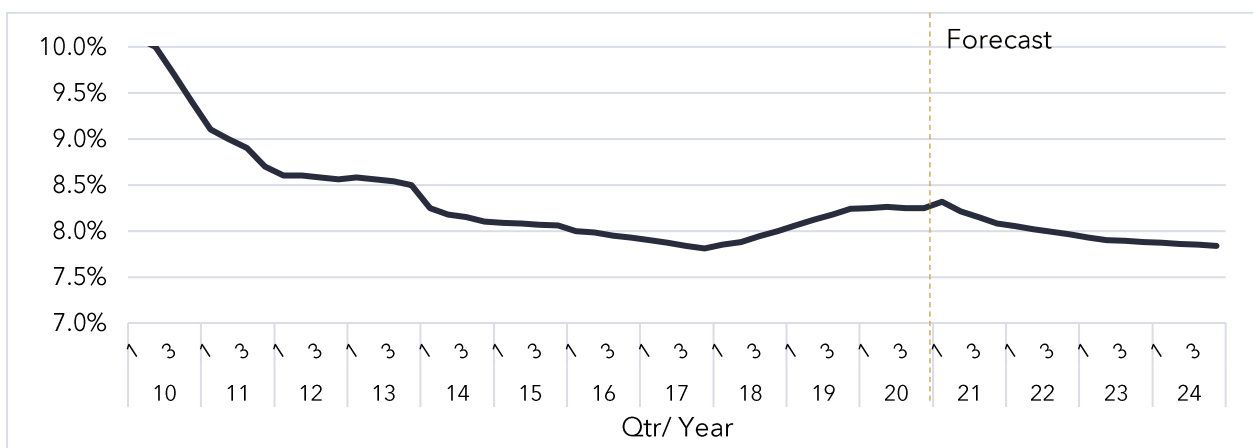
Source: Points Consulting using CoStar Analytics

Figure 29: Market Cap Rate, L-C Valley



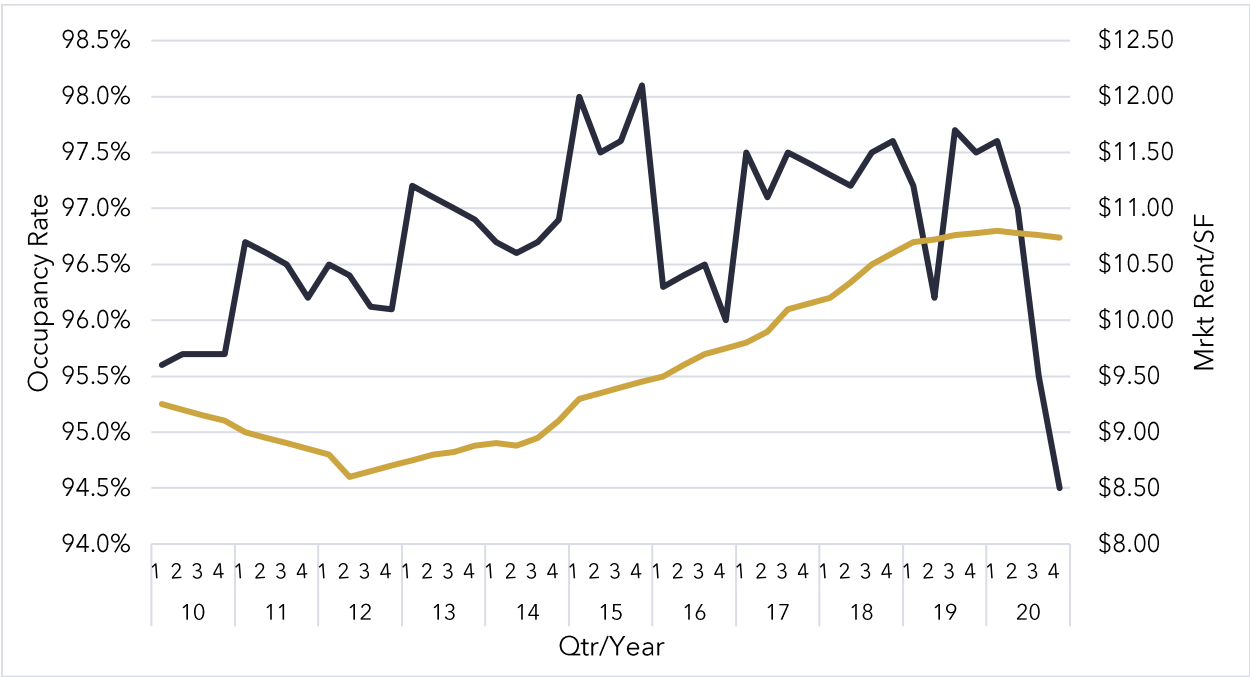
Source: Co-Star Realty Information, 2020

Figure 30: Market Cap Rate, Service Area



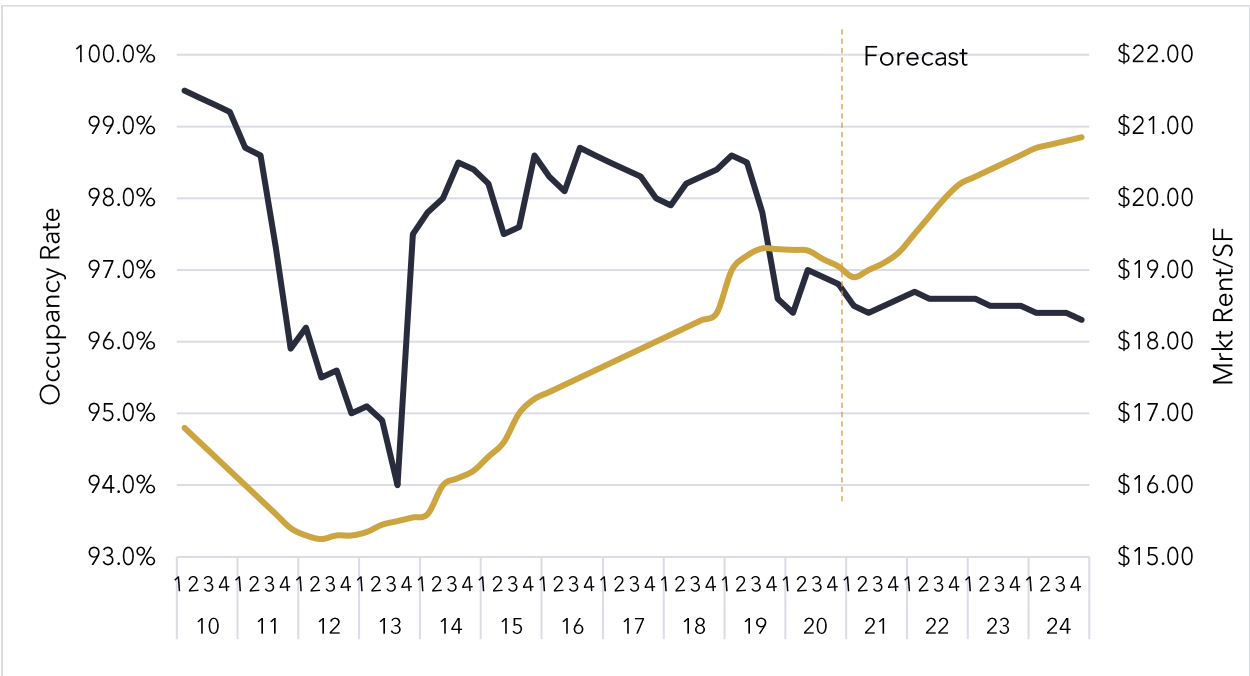
Source: Co-Star Realty Information, 2020

Figure 31: Occupancy and Market Rent per SF, L-C Valley



Source: Co-Star Realty Information, 2020

Figure 32: Occupancy and Market Rent per SF, Service Area



Source: Co-Star Realty Information, 2020

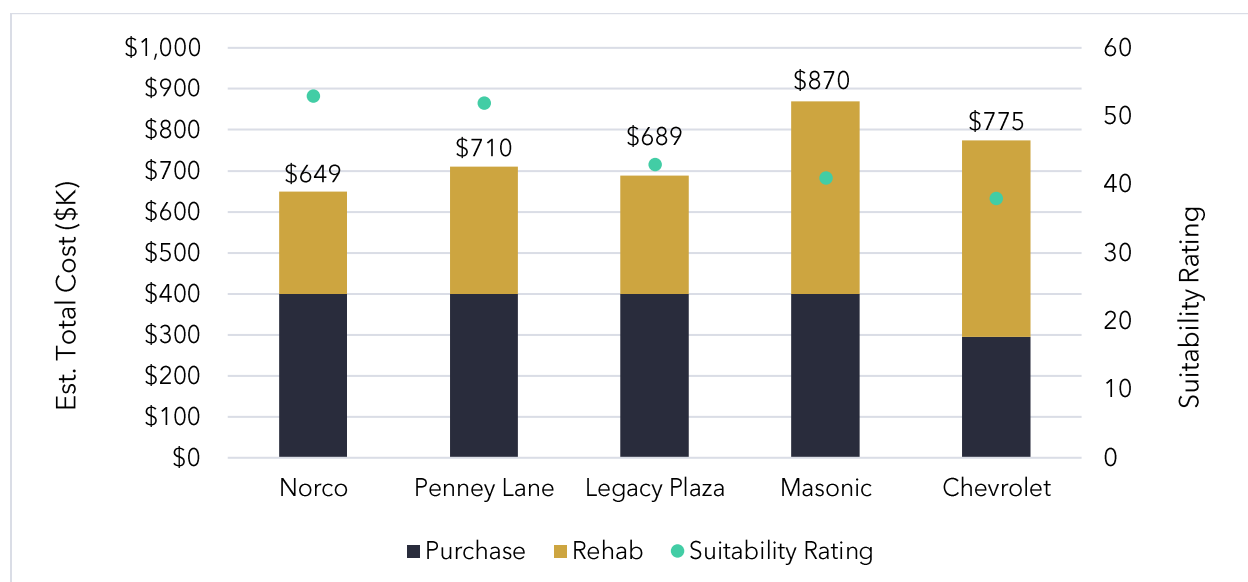
Appendix C: Building Recommendations & Site Evaluations

There are many buildings in downtown Lewiston that could host the LIH. Based on recommendations by the Steering Committee and properties available at the time of this analysis, the project team evaluated five potential facility options. The PC team assessed and rated site features such as location, parking availability, building aesthetics, listed price, square footage, and estimated rehabilitation costs to determine the best and most sustainable options. These data are summarized here and detailed information are contained in [Appendix B: Site Evaluations](#). The five options considered include:

- Norco Building (863 Main St.)
- Legacy Plaza (119 New 6th St.)
- McMonigle Chevrolet Service Building (835 F. St.)
- Masonic Building (855 N. Main St.)
- Penney Lane (610 N. Main St.)

Figure 33 provides the team's estimates of acquisition cost, rehab costs, and the overall suitability score of each facility. Purchase price represents either the list price of the building, or the estimated asking price depending on whether the building is officially listed for sale by a local agent.²⁷ Construction costs are based on the project team's rough estimate of remediations and improvements to prepare the facility for occupancy. Before making an offer, the project team advises the services of a local inspector and contractor to provide more concrete rehabilitation values. The secondary axis and corresponding bullets represent the suitability score for each building.

Figure 33: Costs and Suitability Ratings



Though the Norco and Penney Lane buildings are closely rated in terms of total cost and suitability, has a slight edge on Norco due to options available through the building that are

²⁷ It is also worth noting that buildings may be purchasable at a lower value if the City is able to present the project concept and negotiate with the seller.

not available in other locations. In summary, the following are the consulting team's recommendations based on the evaluation:

- **Option 1A:** 10-year lease in the Penney Lane building. The main advantage to this option is the opportunity to save \$400k on the building purchase and instead deploy capital toward tenant improvements (TI's) and Furniture, Fixtures, and Equipment (FFE's). This option may also be more amenable to community members who oppose the City acquiring downtown real estate.
- **Option 1B:** Purchase and rehab of the Penney Lane building. This option still rates highly, due mainly to location and the fact that the prior building owner has addressed many, potentially expensive issues that exist with other building options.
- **Option 2:** Purchase and rehab of the Norco Building. The timing of Norco's move (March) provides the perfect timeline to conclude this assessment and launch LIH rehabilitation and planning. The adjacent Norco Extension could also potentially be acquired in a package deal.
- **Option 3:** Purchase of the Masonic building. The list price for the Masonic building is likely fairly soft, which provides an opportunity for the City to purchase the building at a price much lower than indicated in Figure 33 and focus capital on rehabilitation efforts and cosmetic upgrades.

Facility Evaluation Details

The Penney Lane building is in an ideal downtown location, offering the opportunity to preserve and enhance the core of historic downtown Lewiston and increase visibility of other nearby assets such as the Liberty Theatre. Many expensive remediation issues have been dealt with by the existing building owner. The building is freshly gutted, in great condition, and ready for renovation. This building has the potential of five lofts that could be used either for residential space or office space. There are about 18 parking spots available on the street and the potential to add in a load-in door from the back of the building.

The Norco building scored the highest in the Site Selection Evaluation due to its continued commercial use and incredible condition. It is nearly move-in ready featuring a large first floor and seven built-in offices in the loft space. The site also has a large garage, storage space, and basement that could easily be converted to a beautiful and unique event space. The parking lot across the street belongs to the building and houses 18 parking spots with room for outdoor activities and a billboard. The Norco extension building should only be looked at as an additional purchase to the Norco building. The extension building can be used for a variety of purposes that would draw in traffic, for example: a coffee shop, popup restaurant facility, food and drink hall, or afterhours event space. Lastly, the Norco building is not currently ADA compliant and would need to alter one of their entrances to assure it was wheelchair accessible.

The Masonic Building is the largest of all options considered at nearly 30,000 interior square feet. With three floors and a fully usable basement, this site could potentially house every item on the Committee's wish list. The Masonic Building is located on Main Street on the same block as the Norco building with 24 available street parking spots. It also features two different entrances, a main entry point and a side entrance that leads to the second and third floors allowing for easy separation of offices from coworking and incubation. While the

square footage of this site is a bonus, it is also a huge undertaking for LIH and the City. The building has water damage and the repairs for this location would be quite costly considering the size and would need to be done in phases. Another advantage of the Masonic Building is the likelihood of its acquisition cost to be heavily discounted.

The Legacy Plaza building is situated one block off of Main Street on New 6th St. The building is in good condition with street parking available. The roof, HVAC, and electrical components are also in good condition. The Legacy Plaza building has three existing rentable offices and a rentable studio space. Remaining spaces would need to be opened-up and remodeled significantly as there are large number of interior walls. Another large drawback of this building is its position off of the main auto and pedestrian traffic path of Main Street.

Lastly, the consulting team also toured the Chevrolet building located next door to the Legacy Plaza Building on F. Street. Although the roof has recently been replaced, the site is entirely gutted and un-remediated. The utilities have not been connected for years thus making the estimated construction cost unreliable. Costs to bring up to code and usability could easily climb over \$500,000. The building is also quite a bit smaller in comparison to the other options with only about half of the basement being usable.

It should be noted that none of these building have appropriate occupancy permits, which will require authorized changes from the City planning commission and City Council. Other than the Penney Lane building, none of the facilities have a fire suppression sprinkler system installed, which will likely be required to pass building inspection.

Each one of these locations is very unique and has different assets. For example, the Norco building could support a large storage space with a makerspace (with donated equipment) because of its garage and existing storage facility in the back of the building. The same programming suggestions cannot be made for the Penney lane building or Legacy Plaza. Once the Steering Committee commits to a building, the team can provide a layout and a square footage breakdown for various programs and provide a more detailed and accurate profit and loss statement reflecting the income from the potential programs.

Site Evaluation Criteria

The following criteria were used to evaluate all buildings considered for this analysis.

Table 33: Site Evaluation System

Type	Description	-----Evaluation-----			
		Poor	Avg.	-----Best-----	
Size	Appropriate amount of square feet. Ideally located on ground floor. If above ground level or on multiple floors, access to freight elevator is essential. Affordability in price per square foot.	1: Bad	2: Avg.	3: Good	4: Excellent
Building Condition	State of the building including environmental conditions, rust, water damage, structure ware, windows, exterior and interior condition, roof, etc.	1: Bad	2: Avg.	3: Good	4: Excellent
Building Features	Are there existing restrooms, drains in the floors, sprinkler systems, good HVAC	1: Bad	2: Avg.	3: Good	4: Excellent
Historic Pres. Value	Contributes to the surrounding built environment. Maintains or improves upon cultural and historical value of the property and surrounding area	1: Bad	2: Avg.	3: Good	4: Excellent
Commercial Use Type	How does the city identify this site: retail, warehouse, etc.? Does it have an occupancy permit?	1: Bad	2: Avg.	3: Good	4: Excellent
Location	Nexus of innovation, maker, tech and knowledge community. Preferably located near grade schools, universities and trade schools, tech companies, co-working spaces, incubators, accelerators. Walkability is important.	1: Bad	2: Avg.	3: Good	4: Excellent
Clear Height	Preference 15ish feet. Depending on the space, could be 13 to 18 feet.	1: Bad	2: Avg.	3: Good	4: Excellent
Column Spacing	At least 20 ft is needed, however larger spacing is preferred.	1: Bad	2: Avg.	3: Good	4: Excellent
Floor	Minimum of 4 inch slab of concrete.	1: Bad	2: Avg.	3: Good	4: Excellent
Electrical	800 to 1,000 Amps, 480V, 3-Phase service.	1: Bad	2: Avg.	3: Good	4: Excellent
Overhead Door	One drive-in 10x10sq ft overhead door. Load in of equipment and furniture becomes a lot more difficult with a smaller opening size.	1: Bad	2: Avg.	3: Good	4: Excellent
Natural Light	Plenty of daylight throughout space highly preferred. Large floor to ceiling windows preferred.	1: Bad	2: Avg.	3: Good	4: Excellent
Access	Convenient access to vehicular traffic and mass transit required. Walkability is highly preferred.	1: Bad	2: Avg.	3: Good	4: Excellent
Parking	10 -12 staff parking spaces. 25- 30 member parking spaces. 50± member and event attendee parking spaces during peak times on evenings, weekends a few weekdays per month.	1: Bad	2: Avg.	3: Good	4: Excellent
Outdoor Space	Around 3,000sq. ft. of outdoor space for events, storage and forklift access.	1: Bad	2: Avg.	3: Good	4: Excellent
Brown Field	Known or perceived contaminants	Yes	No		

Building Evaluation Scores

The following score sheets represent the consulting team's professional opinion on each of the buildings evaluated.

Table 34: Legacy Plaza Building, 119 New 6th St Lewiston, ID 83501

Type	Notes	Evaluation
Size	The size of the building slightly exceeds requirements	3
Building Condition	The building is in close to excellent condition considering recent renovations and upgrades including a new roof. The exterior needs to upgrading. No sprinkler system. Missing heating in some areas	2
Building Features	The building is confusing to navigate and quite siloed and does not have the required features for coworking and event space without major reconstruction. Basement has low ceilings, poorly lit, and is largely unfinished.	2
Historic Value	1960's Art Deco Style on the exterior. Little historical value internally.	3
Commercial Use Type	Occupancy permit for office	3
Location	Located off of Main Street making it more difficult to find, and does not have adequate foot traffic	2
Clear Height	Good	4
Column Spacing	Good	4
Floor	Needs upgrading in area with carpet but in excellent condition at the entrance and in the back with concrete work	3
Electrical	120V electrical panel in good condition	4
Overhead Door	Large enough space for load-in and drive-in off the side of the building	4
Natural Light	The front and side of the building features large windows, however, the back and middle of the building is very dark partially due to the numerous interior walls	3
Access	Great proximity to Main St., however, not visible from the main drag	2
Parking	Much street parking is available but no lot; however, lot across the street at the CAC and down the street on F are largely unfilled and could likely be leased	3
Outdoor Space	None	1
Brown Field		No
	Total:	43
	Notes: would help develop this area of downtown but doesn't have much existing momentum to help it along. Would be usable almost immediately but bringing it up to a level commensurate with expectations would take a lot of time and money.	
	Building List Price	\$399,000.00
	Square Footage	24k including 1st floor & basement

Table 35: Norco Building, 863 Main St, Lewiston, ID 83501

Type	Notes	Evaluation
Size	The size of the building meets the basic requirements but may require future expansion	3
Building Condition	Excellent condition, minimum repairs outside of flooring, drop ceiling, office upgrades. Does not have a sprinkler system.	3
Building Features	Pre-existing offices in the loft area are a huge plus. The load-in area and storage area in perfect condition. The open layout allows for events, co-working, and education. The lot across the street is a great asset to the building.	4
Historic Value	Building is 80+ years old but has little historic or cultural value	2
Commercial Use Type	Occupancy permit for retail	4
Location	Located right on Main St. with plenty of foot and car traffic.	3
Clear Height	Good	4
Column Spacing	Good	4
Floor	Upstairs carpet needs to be replaced as well as first floor linoleum	3
Electrical	120V electrical panel in good condition	4
Overhead Door	Large enough for load-in and drive-in	4
Natural Light	Excellent: large windows	4
Access	Located on Main St. but on the eastern edge of downtown	3
Parking	Plenty of street parking and an additional lot with 18 parking spots	4
Outdoor Space	Parking lot can double as outdoor professional education/class space	4
Brown Field		No
	Total:	53
	Notes: Would be useable almost immediately and has also offers the option for expansion with adjacent building. Improvements on infrastructure would be fairly small but improvements on cosmetics would be extensive.	
	Building List Price	\$399,000.00
	Square Footage	14.7k including 1st floor & mezzanine

Table 36: Chevrolet Building, 835 F. St., Lewiston, ID 83501

Type	Notes	Evaluation
Size	The size of the building perfectly meets the requirements	4
Building Condition	The building needs major upgrades including HVAC, electric, water, windows, and flooring. The building has been gutted to the studs with utilities disconnected. The building does have a new roof, however.	1
Building Features	This building certainly has the "wow" factor with an open concept and pre-framed office type space. In addition, there are 3 rental units accessible from the roof however they need new stair access. Only about half of the basement is useful.	2
Historic Value	Some historic value	2
Commercial Use Type	Warehouse - no occupancy permit and it would take quite a bit of work and funding to pass building inspection	1
Location	Located off of main street making it more difficult to find and does not have adequate foot traffic. Not visible from Main St.	1
Clear Height	Good	4
Column Spacing	Good	4
Floor	Needs a new floor	1
Electrical	No connection, 120/240 optional but would be an additional cost to connect it.	1
Overhead Door	Large drive-in basement with large door	4
Natural Light	Huge windows in the front and back of the building creating plenty of natural light	4
Access	Great proximity to Main St, however not visible from the main drag	2
Parking	Much street parking is available as well as a huge lot usable for parking, events, and classes	3
Outdoor Space	Quite a bit of space in the lot on the side of the building for parking, events, classes, and cafe-type activities	4
Brown Field		No
	Total:	38
	Notes: Potential of the building is exciting but it is so far from completion that the repair costs would likely double the overall project costs. Additionally, the location is fairly distant from the heart of downtown.	
	Building List Price	\$295,000.00
	Square Footage	15k including 1st floor & basement

Table 37: Penny Lane Building, 610 N. Main St., Lewiston ID 83501

Type	Notes	Evaluation
Size	The building is a tad below the ideal size requirements but still manageable	3
Building Condition	Building is largely gutted but prior owner has invested in new electrical, new water lines, and new fire suppression systems.	3
Building Features	Main floor, basement and mezzanine level are all potentially usable for the LIH. Original overhead banners, and metal columns have some historic charm, Some wood and concrete floors may be restorable.	4
Historic Value	Historic department store of mid-century style	3
Commercial Use Type	Currently planned as mixed use of multi-family and retail. In Central Business district and would be relatively easy to convert purely to office use.	4
Location	Truly in the "heart" of downtown Lewiston, in the midst of restaurants, retail, and professional services. Directly across the street from the Liberty Theatre	4
Clear Height	Good	4
Column Spacing	Good	4
Floor	Okay, some is likely restorable but most would need to be replaced.	4
Electrical	120V newly updated panels	4
Overhead Door	Not available, would need to be installed	1
Natural Light	Excellent through wide front and upper banner windows	4
Access	In the heart of downtown, access from Main Street.	4
Parking	None directly available, would need to utilize general downtown parking and perhaps appeal to the city for a parking waiver. With a rear access door, it would also allow easy access from F St. parking.	3
Outdoor Space	None belonging to the space but near Pioneer Park and Brackenbury Square.	3
Brown Field		No
	Total:	52
	Notes: Though still plenty of finish work to do on the building, there are very few remediations required that have not already been performed by existing building owner. The location is the best of all options. Also, the ability to lease, rather than buy, this space is a unique option which is not apparent at other locations.	
	Building List Price	\$400,000
	Square Footage	18k including 1st floor, basement and loft space

Table 38: Masonic Building, 855 N. Main St., Lewiston ID 83501

Type	Notes	Evaluation
Size	The palatial square footage would provide plenty of event space and room to grow but could also be a cost-liability for refurbishing the full extent of the space.	2
Building Condition	Recently used, so not a lot of visible glaring problems. However, the variety of uses has resulted in a somewhat cut-up environment	2
Building Features	Likely some very impressive frontage once metal siding is removed from front. The performance stage and the conference rooms could also be stunning with some care and renovation.	4
Historic Value	High value once remediated and repaired. Traditional downtown western Masonic Lodge building, familiar to many long-time residents of the region	3
Commercial Use Type	Recently used for both office and retail purposes. Could be easily adapted.	4
Location	On the edge of downtown, on east Main Street, where the historic "grid" pattern starts to break down. Surrounded by a mix of historic and more recent construction.	3
Clear Height	Good	4
Column Spacing	Good	4
Floor	Upstairs flooring in good shape. Ground floor will need to be refinished. Possible need of removing the lifted retail section on the main floor	2
Electrical	Aged, will need to be replaced.	1
Overhead Door	None currently, could be added on the southeast corner	2
Natural Light	Great on second floor, decent on first floor.	3
Access	Manageable location but would not receive same level of foot traffic as core Main St. options	2
Parking	Parking available on Main St. and along the adjacent Temple Lane. Potential to lease parking from vacant US Bank building.	3
Outdoor Space	Front and side streets could have good character after some refurbishment. No dedicated outside spaces, however.	2
Brown Field		No
	Total:	41
	Notes: The Masonic Building offers more abundant space than other options, and also some unique spaces that could be leveraged for a large variety of public and client usage, simultaneously. The building has been owned for 60+ years by the same owner. Changing hands will likely result in the uncovering of many "existing non-compliant" issues that have not been addressed previously.	
	Building List Price	\$299,900.00
	Square Footage	27k including 3 floors and basement