



Legislation Text

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Agenda Information Sheet

DEPARTMENT: Economic Development

CM/ ACM: Bryan Langley

Date: March 21, 2017

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding amendments to the Management Agreement between the City of Denton and the Dallas Entrepreneur Center.

BACKGROUND

On February 21, 2017, staff presented a work session to Council regarding Stoke Denton, including the project's history, budget information, and occupancy/activity. Council's discussion centered on the management agreement with the Dallas Entrepreneur Center, in particular how members of Stoke Denton are vetted, how to establish performance metrics for the Dallas Entrepreneur Center's management of Stoke Denton, and proposed amendments to the management agreement with the Dallas Entrepreneur Center.

Councilmembers requested information outlining the similarities and differences between services provided by the Dallas Entrepreneur Center/Stoke Denton and Denton's Small Business Development Center. That report is attached as Exhibit 1.

Councilmembers also requested a "community snapshot" of current technology sector activity in Denton. City staff is preparing a survey to be distributed to the community in April. For comparative purposes, current Stoke Denton members were asked to complete the same survey; 27 members received the survey and 8 completed it for a response rate of 30%. The Stoke-specific results are attached as Exhibit 2.

During the work session, Councilmembers emphasized their desire to keep Stoke Denton focused on technology entrepreneurs and providing employment opportunities for Denton's university students and graduates. Stoke Denton staff has developed a six-month action plan in response to Council's direction, including:

- Hosted Denton Data Day at Stoke on March 4th. This event was put on by Jesse Hamner (of UNT and Kubos) and Abdulrahman Habib (of UNT) and brought in about 50 individuals who work in tech and data to Stoke for the day. They worked to organize and publish data for the city of Denton (<https://www.opendenton.com/>)
- Building an Advisory Council of individuals connected to the startup and tech world in Denton and DFW to advise and direct Stoke's efforts. To date, two members have been recruited with the goal of another three by the end of March.
- Growing the Mentor Program with mentors who have valuable knowledge for tech entrepreneurs. Stoke currently has 25 mentors with expertise in data, software development, hardware development,

programming, intellectual property, product development, getting funded, and more. For the next 6 months, Stoke staff will focus on connecting members to mentors and maximizing the number of mentor sessions available and used.

- Hosting technical web development workshops. TechMill teaches the class and Stoke staff works with TechMill to coordinate and promote the events. The goal is to host two hands-on tech workshops and one lecture/speaker every month.
- Offering student discounts for coworking. Any current DISD, NCTC, UNT and TWU student can get a coworking membership (\$150/month value) for \$75/month; the discount will be honored for the full year after the individual graduates.
- Continuing to host Women Who Code monthly meetups through 2017. These meetings are open to all genders with the goal of supporting and promoting women in tech careers.
- Establishing a “guest company” program. Employees, chief technology officers, and chief executive officers from larger, more established Denton tech companies working as guests at Stoke generates interest and excitement. Companies like Kubos and Ready Rosie are participating in this program.

An item for individual consideration regarding the Management Agreement amendments is on the Council’s agenda for March 28, 2017.

RECOMMENDATION

Staff recommends the following amendments to the Management Agreement with the Dallas Entrepreneur Center:

- Add initial baseline metrics for number of events held/attendees per event, number of visitors, number of mentor sessions available/used, and number of entrepreneurs assisted.
- Modify the language regarding the term to read “*may* be renewed annually” instead of “*will* be renewed annually.”
- Change the agreement expiration date from March 1, 2017, to September 30, 2017.
- Add a general 30-day prior written notice termination option.
- Add an appropriations clause.
- Specify remittance of the 10% of membership fees directly to the City of Denton instead of to Rail Yard, Ltd.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

April 7, 2014 - Economic Development staff presented program components of what would become the Tech Denton Economic Development Initiative during a joint meeting of the City Council and the Economic Development Partnership Board; staff was directed to develop the program

July 31, 2014 - Staff presented a Budget Workshop to Council requesting \$220,000 to fund the Tech Denton Economic Development Initiative

August 19, 2014 - Staff presented a Work Session to Council regarding the request for \$220,000 to fund the Tech Denton Economic Development Initiative

October 1, 2014 - Tech Denton Economic Development Initiative is funded in the FY 2014-15 budget

October 14, 2014 - The Economic Development Partnership Board recommended that staff proceed to the Tax Increment Reinvestment Zone Number One (“Downtown TIF”) Board for a vote on using TIF funds for an incentive related to the Tech Denton Economic Development Initiative

January 16, 2015 - The Tax Increment Reinvestment Zone Number One (“Downtown TIF”) Board recommended approval of an incentive to Rail Yard Partners, Ltd.

September 15, 2015 - Council adopts Ordinance #2015-300 approving a 5-year commercial lease agreement

with Rail Yard Partners, Ltd. for 608 E. Hickory, Suite 128 and a 5-year incentive grant (\$76,000 annually) to Rail Yard Partners, Ltd.

October 30, 2015 - Council adopts Ordinance #2015-328 authorizing the City Manager to execute a management agreement with the Dallas Entrepreneur Center for the management of the entrepreneur center to be located at 608 E. Hickory, Suite 128

February 21, 2017 - City staff and Dallas Entrepreneur Center CEO Trey Bowles presented a work session to Council regarding current status of the Stoke Denton Entrepreneur Center

FISCAL INFORMATION

The Dallas Entrepreneur Center retains 90% of the membership fees generated by Stoke Denton and remits the other 10% to the City. Per a letter from City staff to the Dallas Entrepreneur Center dated October 31, 2016, the City will provide \$48,750 during FY 2016-17 to fund the Stoke Denton director position.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: **Economic Development**

Related Goal: **3.4 Encourage development, redevelopment, recruitment, and retention**

EXHIBITS

Exhibit 1 - Stoke Denton/Small Business Development Center Comparison

Exhibit 2 - Stoke Member Survey Results

Exhibit 3 - 2015-328 Original Management Agreement

Exhibit 4 - Draft Amended Management Agreement

Exhibit 5 - Presentation

Respectfully submitted:

Caroline Booth

Director of Economic Development