

Program Overview

Completed by karen@agilecity.ws on 4/28/2022 11:49 AM

Case Id: 15299

Name: Barnes, Karen - 2022

Address: *No Address Assigned

Program Overview

Please provide the following information.



City of Winston-Salem
ARPA Transformational
Non-Profits Application

City of Winston-Salem
P.O. Box 2511
Winston-Salem, NC 27102
336-727-8000
ARPA@cityofws.org

This application portal is to request funding from the City of Winston-Salem as part of the Transformational Non-Profits Application Process. Applications received through this portal will only be reviewed by the City of Winston-Salem. Other jurisdictions may have separate application processes. Please contact other jurisdictions (e.g., Forsyth County) for instructions regarding requests to those jurisdictions.

Submitting an application does not guarantee funding. Please see the section below regarding the scoring process. The Mayor and City Council will have final decision-making authority regarding program funding requests.

Non-profit organizations may submit funding requests for capital or operating costs.

Minimum Criteria

- Must be registered non-profit organization (includes faith-based organizations providing a public purpose)
- Must have been incorporated as a non-profit for at least one year

Scoring Process and Matrix

All completed applications will undergo a review to ensure required documents are attached. Fully completed applications will be reviewed by selected City staff members and scored based on the scoring matrix approved by the Mayor and City Council. [Click here](#) to view the scoring matrix. Scored applications will be reviewed by the City's Management Team for potential recommendation to the Mayor and City Council who will have authority to appropriate funding for programs.

Staff reserves the right to contact any applicant to request clarification or additional details regarding application responses and materials.

Defining Performance Measures

Sections of the application will reference performance measures and outcomes as required by the U.S. Department of Treasury. Specifically, the application will request workload and effectiveness/outcome measures. Please see this video (<https://www.cityofws.org/2809/Performance-Measures-Video>) for general information on performance measures.

Upcoming Application Orientation Session

The City will host a virtual application orientation session on April 1, 2022 at 10:00 am. The meeting will take place virtually via the Zoom platform and will also have a live simulcast on the City's YouTube page. The link for that meeting will be posted the morning of the meeting to the website: www.cityofws.org/clfrf

Contact Information

For any questions or concerns, please email ARPA@cityofws.org or call City Link at 336-727-8000.

A.Contact Information

Completed by karen@agilecity.ws on 5/2/2022 1:48 PM

Case Id: 15299

Name: Barnes, Karen - 2022

Address: *No Address Assigned

A.Contact Information

Please provide the following information.

ORGANIZATION/AGENCY INFORMATION

A.1. Organization/Agency Name

Agile City

A.2. Mailing Address

500 W. Fifth Street, Suite 800, PMB17 WINSTON SALEM,
NC 27101

A.3. Organization Website

www.venturewinstongrants.org

A.4. Year 501 (c)(3) Status Obtained

2,016

A.5. Organization/Agency Fiscal Year

2,023

A.6. Federal Tax ID Number

A.7. Federal DUNS Number

A.8. Federal SAM Registered?

No

ORGANIZATION/AGENCY CONTACT INFORMATION

EXECUTIVE DIRECTOR

A9. First Name

Karen

A10. Last Name

Barnes

A11. Title

CEO

A12. E-mail

karen@agilecity.ws

A13. Phone Number

(865) 360-1341

BOARD CHAIR

A14. First Name

David

A15. Last Name

Mounts

A16. E-Mail

david.mounts@ignosiscapital.com

A17. Phone Number

(336) 671-3320

A18. Term Expiration Date

12/31/2028

B. General Project Information

Completed by karen@agilecity.ws on 4/28/2022 12:03 PM

Case Id: 15299

Name: Barnes, Karen - 2022

Address: *No Address Assigned

B. General Project Information

Please provide the following information.

PROJECT INFORMATION

B.1. Project/Program Title

Venture Winston Grants

B.2. Project Location/Address

500 W. Fifth Street, Suite 800, PMB17 WINSTON SALEM,
NC 27101

PROJECT CONTACT/MANAGER

B3. First Name

Karen

B4. Last Name

Barnes

B5. Title

CEO

B6. E-Mail

karen@agilecity.ws

B7. Phone Number

(865) 360-1341

C. General Project Narrative

Completed by karen@agilecity.ws on 5/2/2022 1:58 PM

Case Id: 15299

Name: Barnes, Karen - 2022

Address: *No Address Assigned

C. General Project Narrative

Please provide the following information.

C.1. Provide description of project and how funds will be used

The Venture Winston Grants, a program of Agile City, is a startup grant competition that supports local startups and recruits startups to grow and scale in Winston Salem, creating jobs and growing the local innovation economy. Preference is shown for local founders as well as minority and women-owned startups. Selected startups receive a \$50k non-equity grant in exchange for retaining or relocating a minimum of 51% of their operations in Winston Salem for a 12-month residency in a local incubator. With the Venture Winston Grants, we are seeking to build and sustain a transformative program for Winston Salem's entrepreneurial and innovation economy. The Venture Winston Grants program delivers more grant money to more startups than any other local program, making it a powerful engine for local entrepreneurial growth.

We piloted the program in 2021 with a vision of supporting and attracting the next 100 startups in Winston Salem. We launched a social media marketing campaign that generated nearly 20 million impressions and 20k unique web site visits, helping to brand Winston Salem as an entrepreneurial destination. We had 1200 applications from all 50 states and 22 countries, with 68% of all applicants identifying as women or minority founders. We narrowed down the list to 63 quarter finalists whose applications were reviewed and scored by a cross-sectional evaluation committee. The evaluation committee included 50+ local industry experts, business leaders, ecosystem stakeholders, City Councilman Robert Clark and Forsyth County Economic Development Director Kyle Haney. Based on this scoring, we then invited 14 semi-finalists to Winston Salem in October 2021 for a pitch round, and named the winners in November 2021. The cohort established residency in Winston Salem in January 2022 and began their immersive incubation experience with our partner, Winston Starts. The cohort represents the Future of Aviation, The Future of Healthcare, and the Future of Food, Nutrition and Agriculture, all sectors where Winston Salem has strong assets and competitive differentiation.

Our first cohort of 9 companies includes 4 Winston-Salem startups and 5 from out of state including California, Georgia, Florida, Northern Virginia and Boston. The cohort includes a diverse group of founders including women and minorities (African American, Indian, LatinX, Canadian, Tunisian), women and men, and ages ranging from 20's to 80's. We are committed to supporting and recruiting a diverse cohort of founders.

In their first quarter here, the Venture Winston Grants cohort is already delivering transformative results:

- hired 7 new employees
- signed a licensing agreement
- opened a pilot manufacturing facility
- applied for a National Science Foundation (NSF) SBIR grant and completed an SBIR grant
- published a joint research paper with NASA
- secured prototyping lab time at NC State
- identified FDA regulatory pathways and insurance value
- started a new clinical partnership with Novant Health
- designed a new product

- set up new e-commerce capabilities
- increased monthly revenue 30%
- opened a 3rd region
- revamped business plan and investor materials
- researched new markets
- pitched to investors and received funding from the WSPR Fund (Greater WS, Inc)

Clearly, the pilot program is already having a positive economic impact on the City of Winston Salem, and we'd like to build on our success. The funds we are requesting will be used for programming, marketing activities and staff capacity that will recruit and support a second and third cohort of startups. Our goal is to increase our cohort size to 15-20 companies, essentially doubling the program. Recruitment efforts would run in 2023, and Cohort 2 would be in residence in Winston Salem from January to December 2024. We are also applying for the same amount of ARPA funding from Forsyth County, which would allow us to run a third cohort in 2024-2025. The combined ARPA funding would help us retain and recruit the next 40 startups to Winston Salem in the next three years.

Comparable programs like The Arch Grants in St. Louis operate with much larger budgets than we do. In fact, the Arch Grants' 2018 budget, according to the organization's Form 990, was more than \$4 million. In contrast, our operating budget, including startup grants, is less than \$750,000 for our first two years. We are lean, efficient, and focused on transformative impact.

C.2. How will a participant access the proposed project/program, use the services, and derive a beneficial outcome from participation?

Those interested in the Venture Winston Grants program access it through a free application found on www.venturewinstongrants.org that opens for 45 days. Our application, evaluation, marketing materials, media spend, and operations were all evaluated and approved by an independent equity consultant in 2021 for maximum access and equity. The Venture Winston Grants program is open to startups, including local startups, operating in the sectors we have identified as high growth opportunities for our city.

Those chosen to receive grants become cohort members. Each cohort member receives a \$50k grant disbursed in three tranches over 12 months based on meeting milestones. Each cohort company receives a mentor team, industry connections, office space in a local incubator, relocation assistance, discounted professional services, regular programming, media outreach services, introductions to investors, and more. Agile City currently employs a 75 percent full time Cohort Director and a part-time Program Manager to provide customized counsel to our cohort members, ensuring their experience delivers results and that they are growing roots here in the city. Cohort members have unlimited access to the Cohort Director and Program Manager, who also work closely with our sector partners to ensure a mutually beneficial relationship.

Each cohort company prepares and submits a quarterly report including financial statement for review by Agile City leadership, mentors and industry partners. Goals and needed curriculum are determined for the next 90 days.

So far, cohort companies are deriving great value from their Venture Winston Grants experience. They're revamping business plans, addressing new markets, creating new products, hiring new employees, leasing new spaces, landing new investments, applying for more grants, seeing their monthly income and sales increase, starting new partnerships, and participating in the vibrant Winston Salem entrepreneurial ecosystem. And that's just in the first 90 days of their experience.

Not to be overlooked is the benefit of having startups from other ecosystems here in Winston Salem. When startups

from larger, more sophisticated markets make Winston Salem their home, our local startups learn what great looks like from them. They see a higher caliber of thinking and larger ideas. Bringing in other startups to our ecosystem increases the learning curve and results in additional collaboration. For instance, Southern Drone, one of our cohort companies, is working with Takeoff Monkey, a local startup in the construction and landscaping industry, to reach new customers who will pay more for both their services.

C.3 Total estimated number of unique participants to be served annually

20

C.4. Will program beneficiaries be only residents of Winston-Salem?

Yes

TOTAL FUNDING REQUEST

C.5. Total Operating Funding Request

\$1,533,000.00

C.6. Total Capital Funding Request

\$0.00

SPENDING TIMEFRAME

C.7 Capital Spending Timeframe

0 months

C.8 Operating Spending Timeframe

Through December 2025

D. Project Budget Categories

Completed by karen@agilecity.ws on 5/1/2022 10:32 AM

Case Id: 15299

Name: Barnes, Karen - 2022

Address: *No Address Assigned

D. Project Budget Categories

Please provide the following information.

Use templates below to input **the total** Project Budget (**only requested expenses and estimated revenues related to the program or project for which you are requesting funding**) by clicking **Add Column**. Please include all funding from the City and other sources.

Operating Costs	Total
Staff	\$430,000.00
Programming	\$130,000.00
Marketing, media buy, events	\$150,000.00
Miscellaneous	\$15,000.00
Startup Grants	\$1,000,000.00
	\$1,725,000.00

Capital Costs	Total
	\$0.00
	\$0.00

PROJECT/PROGRAM REVENUE CATEGORIES

Please fill out the revenue estimate table. **Note: operating revenues and expenses must be balanced (be equal).**

Operating	Total
Agile City contribution	\$117,000.00
L.David Mounts Foundation	\$75,000.00
City of WS ARPA Grant	\$1,533,000.00
	\$1,725,000.00

Please list below all known/expected **individual** grants and contributions totaling 10% or more of the project's budget.

Note: capital revenues and expenditures must be balanced (be equal)

Capital	Total
	\$0.00
	\$0.00

E. Demographic and Geographic Distribution

Case Id: 15299
Name: Barnes, Karen - 2022
Address: *No Address Assigned

Completed by karen@agilecity.ws on 4/29/2022 11:36 AM

E. Demographic and Geographic Distribution

Please provide the following information.

Demographic distribution is an assessment of the level of the project funds spent on a program or service provided at a physical location in a Qualified Census Tract (QCT), OR where the primary intended beneficiaries live within a QCT, OR whether the program benefits residents that earn less than 60 percent of median income for the City, OR whether over 25 percent of program beneficiaries are below the federal poverty line.

E.1 Is this project/program located in a QCT or serve residents that live in a QCT?

No

If yes, what percentage of clients served are estimated to be residents of QCTs? ([Click here](#) to view the QCT mapping tool)

0.00 %

E.2 If the project or program is not a QCT or specifically serve residents in a QCT, will residents meet the follow criteria:

25% or more of participants below the federal poverty line or participants served make less than 60% of the Area Median Income

The project/program does not operate in a QCT, and beneficiaries neither reside in a QCT nor meet the income thresholds mentioned above.

F. Alignment to Strategic Plan

Completed by karen@agilecity.ws on 5/2/2022 1:59 PM

Case Id: 15299

Name: Barnes, Karen - 2022

Address: *No Address Assigned

F. Alignment to Strategic Plan

Please provide the following information.

Strategic planning is a process in which organizational leaders determine their goals and objectives, and allocate needed/limited resources to successfully achieve those goals and objectives. [Click here](#) to view Winston Salem's Strategic Plan. The Strategic Plan includes three (3) tiers of priorities:

Tier 1:

- Focus on job creation/sustainability and workforce development
- Collaboration and funding for pre-K opportunities
- Funding for affordable housing
- Funding for economic development

Tier 2:

- Poverty reduction/cessation
- COVID reopening plan
- Community engagement (Power of connections)
- Funding for arts

Tier 3:

- Community Fundraising
- Environmental initiatives
- Address digital divide
- Address childcare needs
- Neighborhood maintenance
- Organization efficiency and public-private partnerships
- Law enforcement reform

F.1. Please select the primary priority from the list above addressed by your project/program.

Tier 1

F.2. Please select the secondary priority from the list above addressed by your project/program.

Tier 2

F.3. Please describe how the workload or outcomes from your project/program addresses the primary priority you

selected.

The Venture Winston Grants addresses job creation and sustainability, as well as economic development by supporting the growth of startups. According to Talent.com, the average startup job pays more than \$55/hour, or an annual wage of \$108,000. In contrast, the average job in North Carolina pays \$53,000 annually and the average hourly rate in Winston Salem is \$17/hour, according to ZipRecruiter. Using that equation, and our results so far, the Venture Winston Grants cohort companies could hire as many as 84 new employees, creating more than \$9 million in new payroll by 2024. Studies by economist Enrico Moretti show that each tech job created by startups generates 5 additional jobs in the community. If we apply the same math here, the original 84 jobs become a catalyst for 400+ additional jobs in the community, each paying an average of \$53,000 to create more than \$21 million in new payroll.

If we receive City and County ARPA funding and support an additional 40 startups, the economic impact calculation increases exponentially. These cohort companies could hire 1120 new employees, creating additional \$120,960,000 in new payroll. An additional 5600 new jobs in the community would create \$296,800,000 in new payroll. This is nearly equal to the City's current annual jobs creation goal of 5500 new jobs per year.

This is why entrepreneurship is economic development. For too long, economic development has been singularly focused on attracting large manufacturing plants employing hundreds or thousands of workers. Recruiting those companies to relocate anywhere is difficult and expensive, and often local government incentive packages don't create the job growth promised. On the other hand, startups are highly mobile and willing to move their operations for a much smaller investment. They're growing next generation jobs for the innovation economy, and futures that can provide economic mobility. Supporting startups also helps underserved populations create family businesses, and even create generational wealth.

If we are awarded ARPA funding, our work with Venture Winston Grants and the companies we support and recruit will create a positive ripple effect through our community for years to come. This is long-term work, exactly the kind of economic re-investment work the ARPA grants are designed to do.

G. Collaboration

Completed by karen@agilecity.ws on 4/28/2022 4:04 PM

Case Id: 15299

Name: Barnes, Karen - 2022

Address: *No Address Assigned

G. Collaboration

Please provide the following information.

Collaboration is when an organization is partnering or proactively working with one or more external stakeholders to achieve the same goal.

G.1. How many other external partners, organizations, stakeholders will you be collaborating with to provide the project/program?

3+

G.2. Please provide the names of the organizations and the roles they will serve in the project/program?

Winston Starts will provide incubation services for the cohort companies during their 12-month Winston Salem residency.

Flywheel Foundation will provide entrepreneurial educational curriculum.

Inmar will provide discounted media buying services.

Wildfire, a local advertising agency, will provide updated marketing materials.

Novant Health and AeroX are both current sector underwriter and may continue their partnership with Cohort 2.

H. Administration/Reporting

Completed by karen@agilecity.ws on 5/1/2022 1:49 PM

Case Id: 15299

Name: Barnes, Karen - 2022

Address: *No Address Assigned

H. Administration/Reporting

Please provide the following information.

Per U.S. Treasury rules and associated guidance, the City's framework for using these funds aligns with specific administrative reporting requirements. The administration/reporting criterion has three core elements: 1) the organization's/project's development of clear performance indicators and measurable outcomes, 2) the use of evidence-based interventions, 3) and the City's evaluation of organization and project risk.

H.1. Please clearly define the workload and outcome measures that are associated with your project/program

Workload	<ol style="list-style-type: none">1. Design and create recruitment campaign communications2. Evaluate startup applications3. Execute final pitch event4. Determine Cohort participants5. Cohort management/deliver programming and technical assistance/incubation6. Startup retention efforts
Effectiveness/Outcome	<ol style="list-style-type: none">1. # of social media mentions and impressions generated by campaign2. # of web site visits to www.venturewinstongrants.org3. # of opened applications4. % of minority and women-owned founders who applied5. % of local vs. non-local applications6.. # of qualified startups7. % of minority and women-owned founders who qualify8. % of local vs. non-local founders who qualify9. # of community members involved in evaluation committee10. Diversity of community members involved in evaluation committee11. # of finalists invited to pitch event12. # of attendees at pitch event13. Community involvement in pitch event - attendance and sponsorships14. # of mentor hours delivered to each startup15. # of programs created and delivered to Cohort16. # of jobs created by cohort companies17. % retention rate of startups in Winston Salem after 12-month residency18. \$\$ Economic impact of companies relocating to Winston Salem19. % of cohort startups who meet the majority of their quarterly goals20. # of startups in Winston Salem

H.2. Does the project/program use evidence-based interventions?

No

H.3. For transparency purposes, the risk matrix is attached. This is NOT required, however, you can self-assess if you wish. Please fill out and upload the [Risk Matrix](#).

Risk Matrix

***No files uploaded*

I. Capacity

Completed by karen@agilecity.ws on 5/2/2022 2:02 PM

Case Id: 15299

Name: Barnes, Karen - 2022

Address: *No Address Assigned

I. Capacity

Please provide the following information.

An organization's capacity can be defined as its ability to implement the proposed project, as characterized by the alignment of its mission and vision with the proposed project, existing internal infrastructure to support it, and its plan for implementation and assessment of project success.

I.1. Please provide your organization's vision and mission statements and explain the alignment between the proposed project/program and the organizational mission.

Agile City's vision is a thriving, resilient and equitable innovation and entrepreneurial economy in Winston Salem. Our mission is to support startups grow and scale through signature programs like the Venture Winston Grants. The Venture Winston Grants plays a singular role in the local innovation and entrepreneurship ecosystem to retain and recruit startups as an economic development engine, with a preference for minority and women-owned startups.

I.2. Describe the organization's current infrastructure and capacity to deliver the program services or complete the project. Include any relevant current programming and experience providing similar services.

Agile City currently staffs the Venture Winston Grants with a combination of employees and local contractors. CEO Karen Barnes devotes about 20% of her time to the program. Cohort Director Susan Morris contracts for 30 hours a week. Program Manager Heather Philon divides her time between the Venture Winston Grants and back office operations. Bridget Stockman is our contracted fractional CFO. For Cohort Two, we would increase Cohort Director and Program Manager to full-time, and evaluate hiring a contractor to function as a part-time Competition Director for about nine months. We would help fund our partners Winston Starts and the Flywheel Foundation for additional capacity needs arising from our cohort companies' needs.

Agile City has been working with startups for more than 5 years, providing educational programming through our previous work as Venture Cafe. During those three years, we produced more than 160 weekly gatherings, hosted more than 20,000 visits, and generated more than 60,000 hours of connectivity and free education. We established a reputation for leadership, vision and building bridges within the community. Winston Salem's Venture Cafe was the most diverse in the global network for several years, and our weekly audience was truly a reflection of the City's diverse population.

Currently, in addition to the Venture Winston Grants, Agile City is engaged with Winston Salem State University's new entrepreneurial initiative called The Brilliance Lab, where we are serving as the programming lead and strategic consultants. The purpose of The Brilliance Lab is to unlock the collective genius of students, faculty, graduates and the local community through innovation and entrepreneurship. We are working with The Chancellor's Office and The Winston Salem State Foundation to bring entrepreneurial education, inspiration, tools, technology and ecosystem connections to spark new business starts and growth. As the Chancellor says, "I want to see every graduate cross the stage with a diploma in one hand and a business plan in the other."

Agile City is also working with regional economic development organizations including the Piedmont Triad Regional

Council (PTRC) on innovation and entrepreneurship grants. Specifically, we are serving on the working committee to submit a Build Back Better Regional Challenge Grant focused on advanced manufacturing, equity and entrepreneurship. Our initial grant was chosen from a pool of 529 applications, and we recently submitted our final \$64 million proposal. We are among 60 other regions competing and the Economic Development Authority (EDA) expects to fund roughly half of those regions. This work has been highly collaborative and regional, and Agile City has played an important role in representing the needs of Winston Salem and Forsyth County. Additionally, Agile City CEO Karen Barnes serves on the Board of Directors for the Piedmont Triad Regional Development Corporation, the governing body of PTRC. Part of her responsibilities in that role include contributing to the Comprehensive Economic Development Strategy (CEDS) delivered to the Federal Government. The updated CEDS plan is due by December 2022, and Barnes will work hard to ensure equitable entrepreneurship is an important pillar in that strategy.

Our incubator partner in the Venture Winston Grants, Winston Starts, has more than 4 years experience delivering technical services, counseling and business planning for startups. Their program has served more than 212 companies who have created more than \$11 million in revenue and attracted more than \$26 million in capital.

The Flywheel Foundation, our curriculum development partner, has more than a decade of working with startups through their New Ventures Accelerator, pitch-space.com platform and ongoing entrepreneurial programming. We work with them on Flywheel.courses, an online learning platform for startups.

This is a highly experienced and collaborative team serving up programming, technical assistance, financial assistance, counseling, business planning and one on one mentoring to WS-based startups. Our organizations are recognized ecosystem leaders and have worked closely together on multiple projects over the last five years. This is a proven partnership creating transformational results for our community.

I.3. Describe the program/project implementation plan. Include any known barriers to success and how those will be overcome

Since we have already run one recruitment cycle of the Venture Winston Grants, all of the tools and systems we need for Cohort Two and Cohort Three recruitment are developed, approved by an independent equity consultant, and in place. This includes the Venture Winston Grant web site, application, evaluation criteria, scoring platform (F6S), marketing material templates, grant contracts, event playbooks, reporting tools, sponsorship packages, sector sponsor contracts, and more. We would likely need to update the web site, marketing materials and media strategy if we select different sectors from Cohort One (aviation, healthcare, food/nutrition/agriculture).

We will hire a Competition Director in Q1 2023 and work with our local ad agency to update web site, and social media marketing materials.

In Q2, we will launch a strategic social media campaign and grant applications will open. All applications should be received by June 30 at the latest.

Evaluation of grant applications will begin in Q2, and will be conducted by a broad team of stakeholders, experts, funders, and other startup partners.

In Q3, we will host the semi-finalists in Winston Salem for an in-person pitch competition to determine grant winners.

In Q4, we will announce the winners and negotiate grant contracts and relocation plans.

In 2024, we will work with each cohort company during their 12-month residency in Winston Starts. Cohort 2 will graduate in December 2024. Each cohort company is required to submit a quarterly report including a financial statement. These are reviewed with their mentors, industry connections and Agile City leadership.

In 2024, based on full ARPA funding and staff capacity, we may choose to run recruiting for Cohort Three. If we need

additional time, Cohort Three will be recruited in 2025, start their Winston Salem residence in January 2026, and graduate in December 2026, in line with the federal expenditures requirement set forth in the final guidelines.

The biggest barrier the Venture Winston Grants program faces is raising money to underwrite the startup grants. Prior to ARPA funds being available to underwrite startup grants, no public money could be used. In order for us to award 20 grants, we would have to raise \$1 million in private money, a heavy lift for this community. Now with ARPA funding, providing grants to startups for technical and financial assistance is an allowable use of funds, and provides a clear pathway for the Venture Winston Grants to continue our strong momentum. The request for Venture Winston Grants funds squarely fit the US Treasury final guidelines for ARPA awards: "to provide technical assistance, business incubators, and grants for startup or expansion costs for small business" in order to create "a robust, resilient, and equitable economy and recovery by making investments that support long-term growth and recovery."

Without ARPA funding, the Venture Winston Grants faces an uncertain future due to the difficulty in raising grant money for the startups. This potential funding source is vital for its ongoing success. We will also be submitting an identical grant proposal to Forsyth County for ARPA funding.

I.3a. Describe the program assessment plan including how the data will be collected for selected performance metrics and any other evaluation tools that will be used to determine program/project success.

The Venture Winston Grants has a defined set of key performance metrics that cover our recruitment activities as well as our cohort and grant management areas. Across all activities, we are also tracking equity metrics including race, gender, age, and more.

Our KPIs include:

- Number of social media impressions generated
- Number of unique web site visits
- Number of opened applications
- Number of qualified applications
- Number of grants awarded
- Amount of money deployed to grant winners
- Number of startups in Winston Salem
- Entrepreneurship rate in Forsyth County
- Number and amount of follow on investments in cohort companies
- Number of jobs created by cohort companies
- Retention rate of cohort companies in WS after 12 month residency
- Economic impact of cohort companies in WSFC during their 12 month residency
- Cohort companies give Agile City/Venture Winston Grants a Net Promoter Score of 8+
- All grant funds dispersed in accordance with contracts

We collect this data from our ad agency using proven social media metrics and web site analytics tools, our application platform (F6S), independent research including NC Sec of State reports on new business starts, quarterly reports submitted by each cohort company, an anonymous survey sent to each cohort company to rate their experience, and annual review by our certified public accountant.

J. Impact/Community Need

Completed by karen@agilecity.ws on 5/1/2022 3:00 PM

Case Id: 15299

Name: Barnes, Karen - 2022

Address: *No Address Assigned

J. Impact/Community Need

Please provide the following information.

Impact/Community needs concern whether or not the proposed project will address an identified need within the community and what the short term (One year) and long term (3 years) impact of this project will be

J1. Describe the identified community need for this project/program. Cite specific data or studies/reports that have identified this as a community need.

Although the Winston Salem startup population and entrepreneurship rate have increased over the last several years, we are still significantly behind other mid-sized cities' growth rates, even in our own state. According to the Economy Forward Framework report, published in March 2022 and funded by Tulsa Innovation Labs and The Heartland Foundation, the Triad is considered a Tier 4, or At Risk, economy. In neighboring states, other cities like Knoxville, Columbia, Greenville, Richmond, and Charleston rank as Opportunity, Nearly Ready or Forward Ready Cities. And in our own state, Raleigh is considered the only Forward Ready city by the study. the City of Winston Salem has some work to do.

According to Pitchbook, the number of startups in North Carolina (50,619) lags behind our neighbors Georgia (55,334), and Virginia (102,042) while we outpace South Carolina (21,265) and Tennessee (30,358). This, in spite of recent data from the NC Secretary of State reporting record new business starts. In 2021, the data indicated that 178,000 new businesses were created, up 40 percent year over year. In Q1 of 2022, 47,000 new businesses filed incorporation papers with the NC Secretary of State's office, a new record. As Secretary of State Elaine Marshall said in a press release, "We are aggressively looking for ways to help these NC business owners get access to the many resources available to help their new ventures succeed." The state has some work to do.

In Forsyth County, data pulled from the Secretary of State's web site showed 9097 new business starts between April 30, 2021 and April 30, 2022. While the data showed an increase in the number of minority and women-owned businesses, the rate is still well below that of non-minority founders. This puts our rate of entrepreneurship at 0.02 percent, based on a population estimate of 382,000, well below the national average of 0.28 percent, based on data from the Kauffman Foundation. The County has some work to do.

The US Treasury final ARPA guidelines (page 143) cites statistics showing that small businesses, especially minority and women-owned businesses, were disproportionately negatively impacted economically by the COVID pandemic. The country has some work to do.

This is why it's important to fund the Venture Winston Grants. It's designed to address these issues - accelerating the innovation and entrepreneurship economy here in Winston Salem, increasing the number of startups and connecting them with needed resources, increasing the rate of entrepreneurship particularly among minority and women-founders, and providing recovery resources for small businesses and startups.

J2. Describe the short-term impacts of the project/program and how they align with the community need identified above.

The Venture Winston Grants 2021 recruitment campaign raised the profile of the City as an entrepreneurial hub, with nearly 20 million social media impressions and more than 20,000 web site visits to www.venturewinston.org last year. Agile City received relocation inquiries beyond simply our Venture Winston Grants finalists. Our press release announcing the winners was picked up by multiple media channels across the country, spreading and increasing awareness of our City's emerging innovation economy. Simply put, The Venture Winston Grants has done more to build the City's reputation than any other economic development initiative.

The current cohort is already creating not only positive business impacts, but also community impacts. Five companies and founders have moved their operations and families here, renting apartment and homes, participating in ecosystem events, and engaging with local businesses. For instance, Smoodi, who makes a self-cleaning smoothie machine, is piloting their product with Quality Mart and recently received an undisclosed investment sum from the Winston Salem Partners Roundtable (WSPR), an angel investor fund managed by Greater Winston Salem. Salud Mental Health is working with the local LatinX population to address mental health needs through a toolkit and counseling. Our community is richer by having these founders here.

J3. Describe the long-term impacts of the project/program and how they align with the community need identified above.

On the startup recruitment front, there is only one other startup grant and recruitment program in Winston Salem and it focuses strictly on healthtech startups from Scandinavian countries. The Venture Winston Grants not only helps nurture local startups, but importantly attracts startups from outside our area to relocate their companies here. We're also helping to build startup density in future-focused sectors where Winston Salem is seeking to grow like aviation, consumer packaged goods, cybersecurity and more. This helps build a larger and deeper startup population which will help create more jobs and more sophisticated serial entrepreneurs. Founders who are creating their second and third businesses are more likely to build larger, more successful, scalable businesses. Look no further than Brian Platz of Fluree and Jennifer Byrne of Javara as local examples of that adage. Let's create more businesses to create more founders to create more businesses. It's a virtuous circle that requires time.

We're following a long-term strategy to build Winston Salem into a nationally known entrepreneurial destination where startups migrate to leverage the rich resources, investment dollars, collaboration opportunities, business education and general business climate. To do this, we must do things on a larger scale than we've done in the past. Programs like the Venture Winston Grants show our strong commitment to supporting startups, not just lip service like many other communities.

By providing non-dilutive, non-equity grants to the Venture Winston Grants cohort companies, we are providing them with vital funding to finish building their Minimum Viable Product (MVP), a key early milestone in the life of a startup. Without these early resources, many startups fail to complete their MVP and abandon their ideas, half complete. In our program, there is no expectation of a financial return, so our cohort companies can devote 100% of the grant funding to building their business. Minority and women-owned companies in particular receive less than 5 percent of all venture capital nationally, so this early funding is lifeblood for these founders. Our long-term goal is to have more diverse founders in Winston Salem that reflect our city's population and improve social mobility. As one of the founders we work with often states, "You can't be what you can't see." The Venture Winston Grants provides role models and peers for local aspiring startup founders.

J4. Referencing previous section on outcomes, describe how the impacts noted above will be measured.

We will measure the number of startups we recruit, per sector. We will also track additional startups who relocate to Winston Salem in those sectors.

We will measure Winston Salem's reputation as an entrepreneurial destination by tracking press mentions and national rankings. We will actively submit data and apply for these rankings to garner additional attention.

We will track the percentage of our cohort members who complete their MVPS and who are still in business after 24 months post graduation.

We will track the number of diverse local startup founders who apply for the Venture Winston Grants.

K. Funding Stability

Completed by karen@agilecity.ws on 5/2/2022 2:08 PM

Case Id: 15299

Name: Barnes, Karen - 2022

Address: *No Address Assigned

K. Funding Stability

Please provide the following information.

Funding stability is an assessment of both the organization's annual funding and the planned funding mechanism for the project/program from grants, donations, sales, and other income generators. To the extent possible, the City wishes to ensure applying entities have sustainable funding sources outside the City's ARPA allocation. An entity will be deemed as having superior funding stability if it demonstrates at least three years of sustainable grant, contribution, and/or fee-based revenues to cover operating costs. The entity must also demonstrate commitments from other organizations to cover the full cost of project deficits or future-year operating costs (in combination with realistic fee-based revenue assumptions).

K.1. Have your organization's operating revenues covered operating expenses the last three years?

Yes

K.2. Approximately what percentage of your organization's total budget is covered by competitive grants that you must re-apply for?

0.00 %

K.3. What percentage of your project/program's budget is covered by City ARPA funds as part of this request?

44.50 %

K.4. Please provide narrative on funding for this program after City ARPA funding has been exhausted.

As the Venture Winston Grants is a pilot program, we are exploring multiple revenue streams to support the program's ongoing success. For Cohort Two, we may charge sector sponsors (Novant, AeroX and DMI for Cohort One) with proceeds to fund operations and grants. We are also pursuing other foundations for grant underwriting including The Walton Family Foundation. Finally, our business model is designed to generate income from our innovation consulting services, and excess revenues from those contracts will be directed toward offsetting expenses for the Venture Winston Grants program. We are contributing 12.5% of all program costs (\$384k) to the continuation of the Venture Winston Grants.

K.5. Please attach commitment letters from other organizations showing financial support for the project/program.



Commitment Letters

***No files uploaded*

L. Representation

Completed by karen@agilecity.ws on 4/29/2022 11:14 AM

Case Id: 15299

Name: Barnes, Karen - 2022

Address: *No Address Assigned

L. Representation

Please provide the following information.

Representation deals with how diverse an organizations leadership is compared with community demographics, which includes Winston-Salem's race/ethnic backgrounds as well as gender. Local non-profit organizations should reflect the communities they serve. Since organizations are requesting to receive ARPA funding through the City, we must ensure these entities hold themselves accountable to having diverse staff and leadership panels

L.1. Provide a list of board members including the race, ethnicity, and gender identification for each member.

Name	Race	Ethnicity	Gender Identification
David Mounts	LatinX		Male
Allen Joines	Caucasian		Male
Fletcher Steele	Caucasian		Male
Caroline Moore	Caucasian		Female
Lindsey Schwab	Caucasian		Female

M. Required Documents

Completed by karen@agilecity.ws on 5/2/2022 2:08 PM

Case Id: 15299

Name: Barnes, Karen - 2022

Address: *No Address Assigned

M. Required Documents

Please provide the following information.

For North Carolina Secretary of State - Current and Active Status, [Click Here](#)

Documentation

Code of Conduct/Conflict of Interest Policy *Required

VCWS Bylaws.pdf

Copy of the agency's latest 990 Form as submitted to the Internal Revenue Service *Required

Agile City W-S 2020 Final 990 Public Disclosure Copy.pdf

Organization By-Laws *Required

VCWS Bylaws.pdf

Articles of Incorporation *Required

Venture Cafe Winston Salem - Written Action of Incorporator.pdf

NC SOS - Name Change to Agile City.pdf

Agile City Winston-Salem - Articles of Amendment as filed 7-8-20.PDF

Organization Policies (including personnel, formal non-discrimination, procurement, accounting, etc) *Required

Agile City Employee Handbook - Sept 2021.pdf

ARPA - Accounting & Procurement Procedures Summary.pdf

IRS 501(c)3 Designation Letter *Required

Determination Letter_81-4684785_VENTURECAFEWINSTON-SALEMINC_01132017_01.pdf

Most recent audited financial statements or a third-party review *Required

Agile City Financial Statement - ARPA.docx

North Carolina Secretary of State - Current and Active Status *Required

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N. Submit

Completed by karen@agilecity.ws on 5/2/2022 2:09 PM

Case Id: 15299

Name: Barnes, Karen - 2022

Address: *No Address Assigned

N. Submit

Please provide the following information.

I certify that all information entered into this application is true.

Karen R Barnes

Electronically signed by karen@agilecity.ws on 5/2/2022 2:09 PM

05/02/2022