

SUSTAIN: Jumpstarting Food and Agricultural Innovation
BBBRC Phase 2 Component Project Proposal
Co-Lead by Startup Tucson & University of Arizona Center for Innovation

1. Program Description and Scope of Work: Southern Arizona is primed to lead the nation in addressing climate change and developing food, agricultural and sustainability focused businesses that highlight our region’s rich cultural heritage and also look to solving the problems facing our desert population. However, to truly accelerate rapid growth and amplify the role that small businesses and high-growth startups can play within a cluster, comprehensive and industry specific wrap-around services and resources must exist and be designed to be accessible to our region’s currently underserved entrepreneurs. Startup Tucson and the University of Arizona Center for Innovation (UACI)’s **SUSTAIN: Jumpstarting Food and Agricultural Entrepreneurship** project seeks to fill immediate gaps within our region that prevent food, agriculture and sustainability entrepreneurs throughout the region from meeting their full potential and often limit entrepreneurs’ ability to make it past their initial launch. Through a combination of 1) specialized business education programming, 2) experienced industry mentorship, 3) diverse partner organization support, and 4) access to customized product development space, SUSTAIN will support traditionally underserved food and farm entrepreneurs alongside founders working on emerging technologies in sustainability and agriculture. With an emphasis on accessible programming throughout Southern Arizona and an intentional focus on serving previously underrepresented founders, SUSTAIN will catapult the number of new and diverse businesses in our region. SUSTAIN is co-lead by Startup Tucson and UACI and includes partners YWCA Women’s Business Center, the San Xavier Cooperative Farm of the Tohono O’odham tribal nation and Arizona Western College in Yuma.

Scope of Work: SUSTAIN is designed to specifically address the needs of entrepreneurs seeking to launch and grow food, agriculture and sustainability focused companies and to provide complementary momentum to the overall cluster’s development.

Prep (months 1-6)	<ul style="list-style-type: none"> ● Hire industry-specific program manager and coordinator and retain Mentors-in-Residence for 1) food, 2) ag-tech and 3) sustainability ● Create industry-specific business education programming for food, agriculture and sustainability focused entrepreneurs in Southern Arizona ● Prepare South Tucson classroom for in-person and hybrid program deliver ● Hire specialized facilities management team ● Order all equipment/supplies ● Work with Peach Properties to complete final steps for opening the facility ● Work with Arizona Western College to open the Yuma Food Impact Center ● Work with the UA College of Agriculture and San Xavier Coop Farm to prepare farm test plots for use on the Tohono O’odham Nation
Launch (year 1)	<ul style="list-style-type: none"> ● Launch SUSTAIN application for programming and space use ● Deliver monthly, quarterly and advanced trainings to SUSTAIN entrepreneurs ● Partner with YWCA to offer programming in Spanish and ensure service to Women and Minority Owned Businesses ● Partner with San Xavier Cooperative Farm and CALS to offer agriculture training and ensure service to tribal communities

	<ul style="list-style-type: none"> ● Partner with Arizona Western College to provide hybrid trainings accessible to rural entrepreneurs and those using the facilities in Yuma ● Launch and operate a member model for SUSTAIN spaces
Growth (year 2-4)	<ul style="list-style-type: none"> ● Continue to operate a member model that supports diverse entrepreneurs ● Continue to deliver multi-lingual hybrid trainings and workshops ● Expand program outreach and recruitment with additional regional partners ● Use tools to gather metrics on entrepreneurial progress ● Maintain membership model and activate SUSTAIN spaces ● Begin to charge membership fees for SUSTAIN spaces to ensure sustainability but continue to offer scholarships to ensure accessibility
Post-Award (year 4+)	<ul style="list-style-type: none"> ● Gather metrics on entrepreneurial process for final report ● Continue to offer programming outside the grant ● Maintain spaces/programming through membership and partnerships

2. Regional Needs: Startup Tucson and UACI, both non-profit organizations, have been directly supporting entrepreneurs, the innovation ecosystem and broader economic development in Southern Arizona since 2012 and 2003 respectively. Accustomed to responding to emerging trends for new services and programming to meet the changing and immediate needs of entrepreneurs, both have increased services for entrepreneurs rapidly since the onset of COVID-19. Through extensive entrepreneurial discovery, Startup Tucson and UACI have identified that specific support services are needed to support this industry cluster. Barriers to success include:

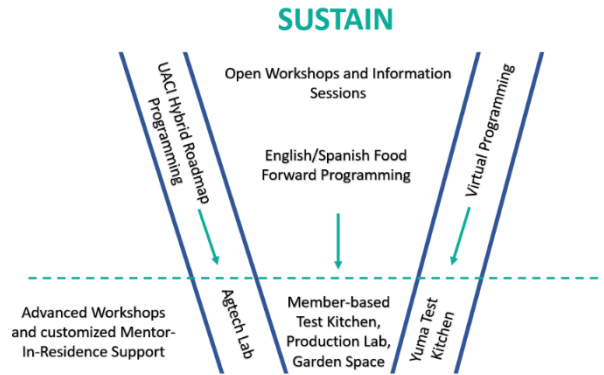
- **Limited availability of industry-specific programming and mentorship.** While some food and agricultural support services exist, they are at their capacity, cannot keep up with the demand and are not available for delivery in rural communities or multi-lingually.
- **Lack of access to production equipment needed to test, implement, and scale new products for food and agricultural entrepreneurs.** Unlike other industries, the production of food and agricultural products is heavily regulated, making bootstrapped solutions less feasible and requiring the rental of commissary kitchens or special licenses. While some commercial kitchens and production facilities exist in Southern Arizona, many of these are privately owned and are prohibitively expensive.
- **Lack of access to agricultural testing and demo facilities and specialized lab space.** While UACI has multiple locations with various types of lab facilities, there is not a dedicated lab space specifically built for ag-tech and sustainability startups that supports the testing and refining of their innovations. Additionally, small plots of ready-to-plant farmland to experiment with ag-tech solutions, are difficult to lease short-term.
- **Lack of cohesiveness and collaboration between community and tech entrepreneurs.** For true innovation to occur, collisions between all-types of entrepreneurs must exist. No space exists in Southern Arizona that provides for high-growth tech entrepreneurs to participate in programming alongside community entrepreneurs.

<p>Service Areas: While Pima and Yuma counties are our primary service areas, our project will also include virtual curriculum and mentorship for entrepreneurs wishing to engage from the surrounding suburbs/towns to include those located in surrounding counties and the rest of Southern Arizona through our Coalition partners. With support from a grant from Local First Arizona, Startup Tucson already serves entrepreneurs in Santa Cruz, Cochise, and Pinal counties and has mechanisms in place to ensure coverage.</p>	<p>Primary Service Area - Main Location: Pima County, 04019, Pop: 1,043,433 Primary Service Area - 2nd Location: Yuma, 04027, Pop: 203,881 Secondary Service Areas through existing Startup Tucson existing programs: Santa Cruz County, 04023; Pinal County, 04021; Cochise County, 04003 Secondary Service Areas Coalition members: Greenlee, 04009; Graham, 04011 Congressional Districts: AZ-002, AZ-003 Opportunity Zones: Our main location service area includes 27 distinct Opportunity Zones with the designation of Low-Income Community and 1 designated Non-LIC Contiguous. The facility in South Tucson is also located in a HUD-designated Empowerment Zone and Tucson Pima Enterprise Zone.</p>
<p>Alignment with CEDS: Local CEDS: This project directly links to the CEDS for the primary and secondary service areas as mentioned in the Overarching narrative. In particular, Tucson’s CEDS states its support of building a robust entrepreneurship and innovation ecosystem that invests in entrepreneurs and solves tomorrow’s challenge and Pima County’s economic development place specifically mentions supporting innovation and the successes of start-up companies and includes Startup Tucson by name. Yuma County’s CEDS also specifically names our supporting industry growth in the areas of food and agriculture.</p>	

3. Proposed Solution: SUSTAIN is specifically designed to support a diverse pipeline of entrepreneurs and will be the first large-scale component of Southern Arizona’s entrepreneurial ecosystem that physically serves both community-based entrepreneurs and scalable science/technology startups. Built to solve for the specific regional needs and gaps identified above, SUSTAIN will support entrepreneurs from idea through to launch with the goal of helping them transition to market growth (i.e. financially ready to rent a larger facility, distribute a product regionally, secured SBIR funding, etc.). Subsidized program and facilities costs, as well as tailored programming offered in tandem with partners will allow SUSTAIN to meet its goals and solve for these regional needs. SUSTAIN includes two primary components:

- 1) **Industry-Specific, Hybrid and Multi-Lingual Programming, Mentorship and Partner Support:** This programming will build on Startup Tucson’s existing food programming developed under a grant from the USDA and UACI’s existing technology roadmap and offered at the introductory and advanced levels, monthly and quarterly. Project partner YWCA will help make this programming available in Spanish and all SUSTAIN programming will be provided in hybrid form to support rural members. Mentors-in-residence and program managers will also ensure that participants are meeting their goals.

2) **Accessible, Just-in-Time, Customized Test and Production Space:** SUSTAIN's spaces will be developed to support entrepreneurs as they test new products and scale their production. Membership for SUSTAIN will be limited to 6 months to help accelerate entrepreneurs to their next steps. The primary kitchen and innovation lab will be in South Tucson, an area of about 1.2 square



miles and completely surrounded by the City of Tucson. To support agricultural/ farm entrepreneurs, SUSTAIN will have a Garden Collaboratory location at the San Xavier Cooperative Farm on the Tohono O'odham Nation in the San Xavier District in the ancestral village of Wa:k. An additional SUSTAIN test/production kitchen will be in Yuma in partnership with Greater Yuma Economic Development and Arizona Western College.

Feasibility & Industry Growth & Priority Alignment: Both Startup Tucson and the UACI have a track record of successfully serving startups in the food, agriculture and sustainability areas. Startup Tucson runs an accelerator for value-added food products and supporting agricultural entrepreneurs with access to websites and e-commerce solutions through grants with the USDA and the SBA. UACI is a part of Tech Parks Arizona and has experience building and managing various spaces for entrepreneurs. YWCA has an established track record of serving women and minority businesses owners and AWC is well-known in Yuma for being a go-to location for support services. The San Xavier Coop has been farming the land for generations and has the knowledge and resources to support its own tribal community as well as new farmers and entrepreneurs. Capitalizing on the Coalition's success and the City of Tucson's designation as a UNESCO City of Gastronomy, food and agriculture have the potential to become the flagship industry for Southern Arizona, attracting future investment and tourism. These businesses also have the potential to generate new jobs for our recovering communities. This project directly meets the EDA's Recovery and Resilience Investment Priorities by focusing on equitably serving entrepreneurs throughout the region. Food entrepreneurs are by nature very diverse and are often from traditional underserved populations. By creating accessible, multi-lingual programming in hybrid form and partnering with organizations that support these populations, we will ensure this programming is accessible to diverse communities.

4. Partners and Program Outreach: This project is supported in earnest by the City of South Tucson, City of Tucson, Pima County and Yuma, along with multiple other entities and institutions. This project is also supported by private industry as evident through their in-kind and cash contributions, particularly that of our South Tucson facility partner Peach Properties.

- **Startup Tucson** is the main applicant and lead for the community entrepreneurship pieces including commercial kitchen and production facility and all related programming. With a portfolio of over 350 companies, serving a total of 3,000 entrepreneurs a year, Startup Tucson has been recognized as a leading national organization for building inclusive ecosystems (SBA Lab-to-Market awardee). The economic impact of the organization is over \$44M with over 400 jobs created. Startup Tucson and UACI regularly co-organizing events, programs and training together, building off each other's complementary services for

entrepreneurs and Startup Tucson has long-standing working relationships with the YWCA Women's Business Center and San Xavier Cooperative Farm through its existing food programs, making it the ideal lead for this project.

- **University of Arizona Center for Innovation (UACI), part of the Campus Research Corporation** is the project co-lead and will lead the ag-tech lab and all technology related programming and facilities management at the South Tucson location. UACI is a startup incubator network with outposts across the Southern Arizona region and a mission to grow scalable startup ventures that fuel the Arizona economy. Of the 64 companies currently in the incubator, UACI already serves eight startups working in cluster focus areas.
- **YWCA Women's Business Center:** Sub-awardee YWCA will provide programming to support SUSTAIN's Spanish speaking participants as well as food truck and restaurant businesses, expanding on their existing food programming. YWCA Southern Arizona is a nonprofit entity and home of the Women's Business Center which offers on demand courses and one-on-one coaching/mentor opportunities for women owned businesses in the region. YWCA Southern has a specific focus on Women and Minority Owned Businesses.
- **Arizona Western College's (AWC) Yuma Food Impact Center:** Sub-Awardee AWC will help to develop the Yuma Food Impact Center Test and Production Kitchen in Yuma and promote SUSTAIN's programming to rural entrepreneurs. The Food Impact Center is a partnership led by AWC's Small Business Development Center and the Greater Yuma Economic Development Corporation. The Center is designed to offer programming and business support services for new and existing food entrepreneurs.
- **San Xavier Cooperative Association and Farm:** Sub-Awardee San Xavier Cooperative Association and Farm will provide farmable land plots for use by SUSTAIN members as well as mentorship on best-practices in farming and workshops. The Cooperative is located on the Tohono O'odham Nation in the San Xavier District in the ancestral village of Wa:k. The Coop Farm has a longstanding history of promoting healthy farming practices and growing traditional crops to support the cultural and environmental values.

Outreach for SUSTAIN will include leveraging Startup Tucson, UACI, YWCA, AWC and San Xavier's existing networks to reach new participants and working with other Coalition partners like the UA College of Agriculture and Tucson City of Gastronomy to build additional relationships. SUSTAIN will also rely on its monthly hybrid general workshop and info sessions to attract new participants. Stakeholders and partners of the project will act as an advisory committee to SUSTAIN, helping with application standards, scholarships and programming.

5. Measurable Goals and Impacts: Startup Tucson and UACI are experienced grantees with a proven track record of on-time and on-target project delivery. For this project we have selected a range of specific, measurable, attainable, relevant, and time bound goals to guide our program delivery and drive lasting impact. Overall, this project will result in an increase in the type, number and diversity of businesses in Southern Arizona in the agricultural, food and sustainability sectors. SUSTAIN will measure its impact by tracking economic development data including the number of program participants, diversity amongst, number of business starts, number of employees, number of mentor and support hours provided, change and increases in revenue, number of new products, amount of investment secured, etc. SUSTAIN will also track non-traditional economic development data around participants' confidence level in their next steps and ability to grow their business. These increases will result in additional businesses to support their development and growth. SUSTAIN expects the following outcomes and outputs:

OUTPUTS:	# of occurrences	# of attendees
Monthly general education and info sessions	45 (12 per yr, 9 yr 1)	900 (20 each time)
Quarterly fundamental educational cohort series	14 (4 per yr, 2 yr 1)	90 (15 each time)
Monthly member advanced workshops	14 (4 per yr, 2 yr 1)	90 (15 each time)
Mentorship Hours: 624 of accessible mentor hours/yr through the three Mentors in Residence		
Open Access Hours for Space Use: 6570 hours a year of useable access per location		
OUTCOMES:		
Number of SUSTAIN member companies	240 (30 in year 1 and 70 in years 2, 3, 4)	
% Increase of new jobs created by participants within 12 months of program completion (full-time and part-time including contractors)	Full-time 35% increase Part-time 50% increase	
Loans extended to small businesses, Capital formation/investment and/or research grants within 12 months of program completion	\$600,000	
% of companies that reported increased in revenue post-training	75%	
Average increase in participant revenues	30%	
Self-reported satisfaction with quality and level of support offered	85%	

Startup Tucson and UACI use best-practices of program evaluation and data collection to empower data-informed decision making at all levels of the organization. We use machine readable data collection tools in all our programs. In addition to attendance records we also utilize pre-and post-surveys to gauge learning, satisfaction and quality assurance measures, and longitudinal growth instruments (Startup Tucson Growth Tracker) to gather comprehensive, 360 information on our program delivery and implementation. Reporting tools include Qualtrics, Copper (CRM), Google Analytics, digital registration data through WIX.

6. Sustainability Plan: In continuing to operate the facilities, the main costs will be facilities rental, maintenance, and staffing. It is anticipated that some of this staffing can be incorporated into existing organizational budgets. Included in the budget narrative is a detailed plan for a scaled approach to generating membership revenue to support the full cost of renting the space by the end of the grant period. SUSTAIN will also work to pursue other federal and regional grants. There will also be multiple opportunities for the organization to seek Foundation and private sponsorships, building off UACI’s sponsored launch program model. Private partner Peach Properties has indicated if successful, they will continue to donate a portion of the rental expenses to support diverse founders. Full and partial scholarships will also remain available to continue to support underserved communities. For AWC’s Food Center, there is a similar revenue generation model in year 5 that will support its continued operation. Startup Tucson also anticipates revenue-generating opportunities from licensing the programming developed within SUSTAIN. Given the track record of Startup Tucson and UACI in building sustainable and equitable partnerships and programs, the sustainability of this project will be of top priority.