

## City Council – Action Request Form

**Date:** August 8, 2022

**To:** Mayor, Mayor Pro Tempore, and Members of the City Council

**From:** Ben Rowe, Assistant City Manager

**Council Action Requested:**

Resolution Approving a Three-Year Funding Commitment of \$150,000 to Winston Starts

**Strategic Focus Area:** Economic Vitality and Diversity

**Strategic Objective:** Assist Small Businesses with Innovation and Entrepreneurship

**Strategic Plan Action Item:** No

**Key Work Item:** No



**Summary of Information:**

Winston Starts began its operations in February 2018, serving as a “scalerator” to assist startup businesses that are realizing revenues and/or have completed the “Lean In” Program, which is a 12-week accelerator. A scalerator provides extended support (i.e., a “long runway”) to enable startup businesses to sustain their operations through the early stages of development. Winston Starts occupies 35,000 square feet on the fourth and fifth floors of 500 West Fifth Street. Very few cities have long runway scalerators because they are resource intensive and return-on-investment can be elusive in the early years. A non-profit scalerator, like Winston Starts, with pure motivations targeted to startup success and overall economic health are very rare.

The attached funding request notes the key accomplishments achieved by Winston Starts over the last four years. To date, Winston Starts has assisted 60 companies with an 80% survival rate. Of that total, 29, or 48%, are female and minority founded scalable start-ups—nearly 2.5 times the female and minority startup rate across the United States. Eleven startups moved to Winston-Salem because of Winston Starts and the growing local startup ecosystem.

Winston Starts is looking to scale up its operations to further support and impact the startup

**Committee Action:**

<b>Committee</b>	Finance 8/8/22	<b>Action</b>	Approval
<b>For</b>	CM Clark and CM MacIntosh	<b>Against</b>	None; Abstaining: MPT Adams and CM Taylor

**Remarks:**

community. They currently provide programming and support with three full-time equivalent staff and 80+ unpaid mentors. With most of its income coming from three donors, Winston Starts also is looking to increase and diversify its funding support. Winston Starts has submitted a request asking for a commitment from the City of \$50,000 a year for three years (2022-2024).

Funds are available in the City's economic development project fund reserves to provide the requested level of annual support. The attached resolution and budget amendment would provide for a three-year commitment totaling \$150,000 to be funded from these reserves, consistent with the public purposes established in G.S. 160A-209. The City's agreement with Winston Starts would require an annual report noting the progress on key metrics.