



# County of Ottawa

*Planning and Performance Improvement Department*

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## **NEW AG-TECHNOLOGY BUSINESS INCUBATOR WILL ASSIST FARMERS AND ENTREPRENEURS IN OTTAWA COUNTY**

At their October 22, 2013 meeting, the Ottawa County Board of Commissioners approved the implementation of an Ag-Technology Business Incubator to serve agricultural-based entrepreneurs.

Business incubators are an effective economic development tool that nurture young businesses during the startup period when they are most vulnerable. Incubators provide a variety of services to clients such as business planning, market research, financial planning, mentoring, as well as commercialization, and financial assistance.

The County Planning Commission began exploring the opportunity to create a business incubator after Ottawa County experienced job losses as high as 8.4% during the height of the recent recession. At that time, residents began letting county officials know they wanted the County to do more to provide effective economic development programs. Because agriculture is one of the County's core economic strengths it was determined that a business incubator that focuses on agricultural technology-based start-ups would provide a unique opportunity that capitalizes on a growing industry.

The County subsequently conducted a Market & Needs Assessment and Feasibility Study for an Ag-Tech Business Incubator using grant funding from the United States Department of Agriculture – Office of Rural Development. The Study purpose was to determine if there were enough entrepreneurs with agricultural technology business ideas to support an incubator in Ottawa County.



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Some of the study results are shown below:

- The most commonly mentioned source of innovative ideas was from ag-related entrepreneurs
- Farmers solve their own problems and share the solutions with their peers – but are not commercializing the technology
- There were 65 individuals with ag-related ideas that were interested in utilizing incubator services
- 54 Service providers were interested in assisting incubator clients

Although the Study consultant recommended the construction of a mixed-use, 20,000 square foot incubator facility in the Allendale area to serve the critical mass of ag-entrepreneurs needing assistance, the County Planning Department developed a unique, low-risk model whereby incubator expansion is incremental and driven by results. The model ensures that verifiable outcomes are achieved before outlaying large amounts of capital for buildings and on-going operational costs.

The incremental phases include an Incubator Study (to quantify the need for incubator services), a Pilot Incubator Project (to prove the ability to manage and operate an incubator), a fully-operational In-house Incubator (which is not limited by constraints of a virtual incubator or a physical incubator), and finally a Physical Incubator. The requirements for expanding into a dedicated physical incubator space are based on the value of the companies that are created through the Incubator. The company values will be determined by a weighted formula that is based on such factors as income tax generated, property tax generated, sales tax generated, capital investment, wages paid, and impact on the supply chain.

The County's Ag-Technology Business Incubator is also unique in that provides clients differentiated services to rapidly commercialize their ag-tech products. Ron Reimink, a business partner in GrassRoots Energy LLC, an ag-tech start-up company that developed an innovative low-heat, low-



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energy ethanol extraction technology, has positive remarks about participating in the County's Pilot Incubator Project. Ron stated that "We have tried other business services and incubators and they pale in comparison to the assistance that has been provided by the Ottawa County Ag-Tech Incubator team."

The County's unique, and results-driven Incubator model also capitalizes on the expertise of the regional agricultural community to promote innovation and business development. The four areas where agricultural community partners will participate are as follows: Idea Generation (i.e. identify ag-related problems and develop solutions through crowdsourcing and focus groups); Idea Extraction (i.e. identify existing solutions being used by farmers that are not commercialized); Idea Verification (i.e. determine the marketability of new solutions and offer ideas for improvement); and Product Testing (i.e. field-tests of prototypes which is enhanced by the County's wireless broadband infrastructure).

Three clients are currently receiving business start-up services through the Pilot Incubator Project. Following the Board's recent approval to move forward with a fully-operational Ag-Technology Business Incubator, the County Planning Department will start accepting applications from agricultural-based entrepreneurs on December 1, 2013.

If farmers and other entrepreneurs are interested in receiving services from the Ag-Technology Business Incubator and/or would like more information, they can contact the County Planning and Performance Improvement Department by phone at (616) 738-4852 or by email at [plan@miottawa.org](mailto:plan@miottawa.org)

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