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## **CDA Business Incubator Q&A**

### **Why did we wait so long to announce information publicly?**

It was not best to put any statements out to the public or answer in-depth questions until we had a signed contract that secured this funding. We also needed to quickly lock in the significant components of this grant funding since it's incredibly fast-moving with a very short project deadline.

### **Location of Incubator -**

Everything is in order to purchase 203 N Main St, Colfax, Wa, by the end of January, with renovations to follow immediately.

### **Did we inquire about other local properties before a decision was made to purchase 203 N Main St?**

Yes, we inquired about many properties located within our Downtown/Main St Corridor. To respect people's privacy, we aren't going to list the properties we inquired about. Rest assured, we did our due diligence and reached out to sellers who had their properties listed on the market and others who did not. We also inquired with property owners who have left their properties vacant for long periods. All of which declined our offers or intent to purchase.

We strongly believe that everything happens for a reason, and we're pleased to be able to purchase 203 N Main St with this funding.

## **Project Timeline -**

All renovations and SBIF funds must be completed and expended by June 1st, 2023. Yes, you read that correctly. This project will be extremely fast-moving, to say the least. We'll also have to open applications, select tenants, and provide them with quality business education during this timeline. We'd be lying if we said this isn't going to be challenging. However, we believe in our ability to pull this off and are ecstatic to be able to offer this opportunity in Colfax for many years to come!

We respectfully ask that everyone stay patient with our Organization through June of 2023, as this very large-scale project will consume a lot of our team's time, focus, and manpower. We thank you for your patience and understanding.

## **Have tenants already been pre-selected to be housed within our Incubator?**

Absolutely not. Anyone interested in participating in this Incubator Program must undergo the same unbiased application and interview selection process. Applicants will be selected after this process has taken place. Our incubator tenants will be selected with the heaviest regard to which businesses interview and pitch the best business model. We're looking for quality tenants who see the value in this opportunity, are goal-orientated, possess team player mentalities, are forward-thinking, and strongly desire to become a long-term asset to our community.

## **Is there a specific targeted demographic this funding is intended for?**

The SBIF is earmarked to assist underserved business demographics such as women, veteran, BIPOC (Black, Indigenous, People of Color), low-income, and rural-owned businesses. When applying, there will be an allocated section of the application to check if their business will fall under one or more of the demographic categories described above. Since every business operating in Colfax will be considered operating within a rural and low-income county, those two demographics will not be added to the application.

Our entire incubator application will be scored based on a points value system from each applicant's provided answers. The points value system for applications is still being determined. If your business does not fall under one or more of the demographics described above, we do not want this to detour you from applying. In fact, we highly encourage you to apply still. Every applicant will be treated with the

utmost respect and fairness. The Colfax Downtown Association does not discriminate against race, religion, gender, sexual orientation, marital status, or disability.

### **How do I apply?**

Applications will be made available to the public by the end of January. We estimate the tenant selection process will take place in early March. The timeline and details will be available on our website when we have the information.

If you are serious about applying, we encourage you to figure out your business model details. Of course, you will not be expected to know every single detail of your business model. However, the more information you have to offer, the better.

### **How long will tenants be allowed to lease space in the CDA's business incubator?**

This subject is still being determined. Our goal is to cultivate exceptional long-term business owners through this program. Full transparency- we're undecided if there will be a time limit or an income limit to graduate from this program. There are pros and cons to both avenues. We're strongly leaning towards an income limit verse a time limit. Here's why - A Time limit doesn't necessarily allow people enough stability to afford to lease or purchase their own space locally. It also restricts them from tapping into their fullest potential and long-term success.

**Example:** Let's say they have a two-year lease limit and consistently bring in an annual income of \$100K in their first two years. However, their operating overhead was \$90K a year because they spent a lot of money on staffing expenses and marketing to grow their business visibility. This route allowed them to save \$20K to move into their own location. We think it's reasonable to say that \$20K isn't enough savings to move into their own space and ensure success or stability upon graduation.

An Income Cap Amount promotes more of a solid launch pad for future success but also restricts fewer incubator tenants in a, let's say, five to ten-year time frame.

For example, tenants are allowed to stay until they've reached two years of profiting \$50K a year. In their first two years, they saved \$10K a year for two years due to spending more on gaining consistent customers and visibility to their business. However, in their third and fourth year of doing business, they didn't need to spend as much on marketing, etc., due to having a solid clientele and have now saved an

additional \$100K in those two years and are confident in their ability to lease or purchase their own space.

The goal is to cultivate exceptional business owners who can confidently afford to go out on their own and purchase or lease their own space. The examples demonstrate why quality over quantity is more important. There are many factors to this, and if we identified every component, we'd have about ten pages on this subject. So instead, we wanted to give a good idea of our current thought process.

### **What about the existing business tenants of 203 N Main St?**

We want our community to know that the decision regarding this topic was not taken lightly by any means. Our team genuinely cares about retaining business in Colfax. Unfortunately, due to the extremely tight deadline for renovations to commence, none of the current tenants can be housed within the property while renovations occur. We're already asking our construction team to perform a miracle within four months, basically. Unfortunately, tenants operating within the building during construction are not feasible for many reasons.

The Hen House Chicks was offered an option to lease the entire 2nd story after renovations are complete. For multiple reasons, the Hen House Chicks made the decision to decline our offer. On the bright side, The Hen House Chicks found a great downtown location and will be leasing 124 N Main St - caddy corner from her current location. We could not be happier for Sandi and wish her all the best! Sandi is a wonderful asset to our community, and despite the rumors circulating, there are no ill feelings between Sandi and the CDA team. Is she a little sad she has to move? She absolutely is, and so are we. However, Sandi being the amazing person she is, understands that sometimes hard decisions must be made, and she's excited about this opportunity for Colfax!

Given the current inconveniences to The Hen House Chicks, our team wanted to ensure this transition would be as easy as possible for Sandi, the owner of Hen House Chicks. Therefore, arrangements have been made by the CDA to help offset the burden of moving by hiring a moving company to assist Sandi with the move.

As for Truly You Clothing & More and Rainier Trading Co- For personal reasons, both tenants decided it would be best to halt their business endeavors and close. The Hen House Chicks has been running Truly You Clothing for well over a year, so fear not. You will still be able to shop for all of your women's apparel needs at the Hen House Chicks here in Colfax, Wa.