ScoutNorth & Northside Maker District

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Agenda

• Executive Summary

• Research Findings

• Recommendation One: ScoutNorth Filter

• Recommendation Two: Northside Maker District

• Conclusion
Executive Summary

Objective
Create or find 300 jobs for North Minneapolis residents by 2016

Research Findings
- Target population
- Local businesses
- Workforce training programs
- Best practices

Recommendations
- ScoutNorth Filter
- Maker District
Research & Findings Overview

- Target population (North Minneapolis residents)
- North Minneapolis businesses (employers)
- Regional rapid-growth businesses
- Workforce development programs
Target Population

- Lack of awareness of job opportunities
- Underprepared for employment
- Transportation issues
- Personal barriers
Employers

- Struggle to source reliable workers from North
- Varied expectations for prerequisite training, certifications, and education
- Have employment opportunities, but unaware of community programs to connect them with qualified workers
- Willing to participate if programs provide fit, consistent product, and are low-cost
Workforce Programs

• Struggle to market programs to target population and employers

• Frequently have high dropout rates, especially if program has strict attendance policies

• Program trainings overlap with each other

• Existing relationships with employers drive job placement
Best Practices

**Demand-side approach**
- Attract businesses to area
- Expands tax base, but 8 out of 10 jobs go to non-residents

**Supply-side approach**
- Workforce training programs
- Small business creation / entrepreneurship

**Sector / cluster strategy**
- Large local investment
- Requires anchor institution(s)
- Incorporates both supply, demand approaches
Recommendation One

ScoutNorth Filter
Current Search Scenario

Employee

Search Field

Program A, Program E, Program I, Program B, Program F, Program J, Program C, Program G, Program K, Program D, Program H, Program L

Employer
Overview

A Web-based platform that connects local employees, employers, and training programs using an easy-to-use, custom-tailored system.

Employees
- Input information regarding their background, experience, and desired industry
- Filter determines optimal training programs
- Connect directly with best-fit program and enroll

Employers
- Input information regarding job openings and talent needed
- Filter determines optimal training program to source from
- Employee works with program to hire out-coming trainees
ScoutNorth Scenario

Level One

- Employees
- Employers

Programs:
- Program A
- Program B
- Program C
- Program D
ScoutNorth allows neighboring employees, training programs, and employers to connect through a single simplified and customized network in order to take advantage of employment opportunities faster and easier. Tell us about what you want to see in your next job or employee and our scout platform will provide a full range of options based on your expectations.

LET'S GET STARTED.

I AM AN EMPLOYEE

I AM AN EMPLOYER
Employee Page

ScoutNorth

NAME: [Redacted]  GENDER: [Redacted]
ETHNICITY: [Redacted]  PHYSICAL / MENTAL DISABILITIES: [Redacted]
WORK EXPERIENCE YEARS: [Redacted]  INDUSTRY(S): [Redacted]
EDUCATION EXPERIENCE: [Redacted]  CRIMINAL RECORD*: [Redacted]
TRANSPORTATION FLEXIBILITY: [Low]  [High]
SCHEDULE FLEXIBILITY: [Low]  [High]
EMPLOYMENT PROHIBITORS: [Low]  [High]
DESIRED INDUSTRY: [Redacted]
Analytics Page

ScoutNorth

AVERAGE AGE: 
% MALE: 
% FEMALE: 
AVERAGE YEARS OF EXPERIENCE: 
AVERAGE # WITH CRIMINAL RECORD: 
AVERAGE # EMPLOYED AFTER 1 YEAR: 
AVERAGE FLEXIBILITY RATING: 
AVERAGE TRANS. RATING: 
AVERAGE PROHIBITOR RATING: 
% CONNECTED W/TRAINING:

INDUSTRY BREAKDOWN

ETHNICITY BREAKDOWN
ScoutNorth Filter

Benefits

• Increases visibility of training programs
• Decreases training program attrition
• Improves employer/employee fit
• Real-time demographics data

Key Partners

• Workforce development programs (buy-in)
• METP (owner)
• Trainees (adoption)
Implementation Strategy

Schedule
- 4-6 Months

Est. Cost
- Design and development
- Hardware and facilities
- Maintenance

<table>
<thead>
<tr>
<th></th>
<th>Contractor</th>
<th>IT Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Building Cost</td>
<td>$54,250</td>
<td>$70,525</td>
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<tr>
<td>Hardware and Facilities</td>
<td>$1,000</td>
<td>$1,000</td>
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<tr>
<td>Maintenance (annually)</td>
<td>$10,850</td>
<td>$14,105</td>
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<tr>
<td>Total cost</td>
<td>$66,100</td>
<td>$85,630</td>
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Implementation
- Contractor
- IT Company
Recommendation Two

Northside Maker District
Overview

The Northside Maker district is a proposed designated set of neighborhood blocks within North Minneapolis focused on reviving and strengthening the manufacturing of goods in Minnesota.

This district would consist of…

• Privately owned factory/office space
• Studio/cooperative facility
• Office/retail space
• Residential space

And its capabilities could include…

• Industrial sewing and apparel manufacturing
• Knitting/weaving operations
• Footwear manufacturing
• Furniture manufacturing
• Other disciplines (Ceramics, leather, woodworking, etc.)
Justification

• Historical relevance to the area (Munsingwear)
• Availability of qualified labor
• Strength of manufacturing network
• Presence of Target and other able sponsors
• Availability of under-utilized real estate
• Distribution channels through Twin Cities
Key Partners

- State of Minnesota
- City of Minneapolis
- NJCT
- ArtSpace
- The Makers Coalition
- MCTC & Dunwoody
- Target & Other Local Corporations
Implementation

Phase 1: Planning & Sourcing (One Year)
- Identify location and potential manufacturers
- Forecast necessary investment and funding required
- Develop training program and source employees

Phase 2: Construction (Two Years)
1) Anchor manufacturing facilities
2) Cooperative spaces
3) Residential & retail

Phase 3: Growth & Procurement
Implementation

1) Assemble influencers/professionals to study the opportunity
   • Private manufacturers
   • Government officials
   • Industry professional consultants
   • Consult with existing organizations (SF Made)

2) Build cross-functional implementation team
   • Sales/marketing
   • Training program (Makers Coalition)
   • Industry stakeholders
# Financials

## Estimated Initial Investment

**Anchor Manufacturing Facility**

<table>
<thead>
<tr>
<th>Component</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Land and Building</td>
<td>$2,500,000.00</td>
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<tr>
<td>Machinery/Office Equipment</td>
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<tr>
<td>Facility Improvements</td>
<td>$1,000,000.00</td>
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*Estimated Initial Investment: $4,500,000.00*

## Estimated Revenues

**Anchor Manufacturing Facility**

<table>
<thead>
<tr>
<th>Category</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2020</th>
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<tbody>
<tr>
<td>Sales</td>
<td>0</td>
<td>$4,000,000.00</td>
<td>$4,800,000.00</td>
<td>$9,953,280.00</td>
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<td>Cost of Goods Sold</td>
<td>0</td>
<td>$2,057,600.00</td>
<td>$2,469,120.00</td>
<td>$5,119,967.23</td>
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<td>Gross Margin</td>
<td>0</td>
<td>$1,942,400.00</td>
<td>$2,330,880.00</td>
<td>$4,833,312.77</td>
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<tr>
<td>Net Income</td>
<td>0</td>
<td>$315,600.00</td>
<td>$378,720.00</td>
<td>$785,313.79</td>
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<tr>
<td>Est. Number of Employees</td>
<td>0</td>
<td>75</td>
<td>100</td>
<td>170</td>
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</tbody>
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Results

• Significant job creation
• Expanded tax base
• Increase retail opportunity
• Improved real estate market
• Subsidized housing & studio space for artists
• Reinvent perceptions of North Minneapolis
• Strategy for future growth in Minneapolis and beyond
Questions