

**RESOLUTION AUTHORIZING EXECUTION OF CONTRACT FOR SERVICES  
RELATED TO THE BUILDING OF AN ENTREPRENEURIAL  
ECOSYSTEM FOR RENSSELAER COUNTY**

**WHEREAS**, the Rensselaer County Industrial Development Agency (the Agency) is desirous of encouraging the acceleration of a lively Silicon valley-connected entrepreneurial ecosystem for startup enterprises in Rensselaer County, and

**WHEREAS**, THE New York State Technology Enterprise Corporation (NYSTEC) is desirous of partnering with the Agency in that effort, and

**WHEREAS**, HubSV is a not-for-profit corporation with experience and connections in the Silicon Valley and is experienced in creating hubs of startup enterprises, and

**WHEREAS**, the Agency and NYSTEC are desirous of engaging the services of HubSV to develop a hub of startup enterprises for Rensselaer County and a strategic plan for the entrepreneurial ecosystem for Rensselaer County, leveraging the expertise and resources of the Silicon Valley to that end, now therefore be it

**RESOLVED**, that the Executive Director of the Agency is hereby authorized to enter into an agreement with HubSV whereby HubSV will provide the services described in Phase 1 of the attached proposal for a total cost not to exceed Forty Thousand Dollars, one-half of which will be paid by the Agency and one-half to be paid by NYSTEC, such agreement being subject to approval as to form by Agency Counsel.

**Resolution ADOPTED by the following vote:**

**Ayes:** 7

**Nays:** 0

**Abstain:** 0

**June 14, 2018**

STATE OF NEW YORK                    )  
  ) SS.:  
COUNTY OF RENSSELAER            )

I, the undersigned (Assistant) Secretary of Rensselaer County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on June 14, 2018 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 14th day of June, 2018.

  
\_\_\_\_\_  
(Assistant) Secretary

(SEAL)

## Silicon Valley Hub in Troy, NY

### PHASE 1, Planning and kick-start proposal

#### DELIVERABLES

1. **DETAILED PLAN** for contributing to acceleration of a lively, Silicon-Valley-connected startup ecosystem in Upstate NY with HQ downtown Troy (called a Hub) by accelerating startups and ecosystem, which will eventually create jobs and attract quality out-of-state startups/entrepreneurs and funds to the region - minimum 5 year plan:
  - a. **Formation of partnerships** and other relationships with
    - i. Corporations (aspects as disruption, innovation, sales channels, market access)
    - ii. Research/educational institutions (key dealflow source)
    - iii. Entrepreneurial/ecosystem organizations (collaborate - not compete)
    - iv. Existing incubators/accelerators (collaborate to build a complete startup funnel from idea level and up)
    - v. Investors (investment opportunities, support/build angel groups if needed)
    - vi. Key Upstate NY "diaspora" in Silicon Valley (SV expertise & heart for Upstate NY)
    - vii. Build connections to global partners for market access and dealflow (Upstate NY going global)
    - viii. Others
  - b. **On-going acceleration programs** for early-stage and "Round-A stage" programs based on expressed needs with capacity to accelerate 40 startups in mentoring program per year. Programs will include initial performance based seed funding (length, industries, stages, seed-funding size, balance between face2face and virtual involvement of Silicon Valley. realistic capacity over a period of min. 5 years, and budget) - acceleration program/focus to be tailored to Upstate NY potential. The programs will follow Silicon Valley methods and bring Silicon Valley expertise and track record to the startups on an ongoing basis
  - c. Based on "proof of sizeable quality dealflow" from the acceleration programs, **raise a significant "follow-on fund" (Round A, B, C?)**, which will make it possible for startups to stay/create jobs in Upstate NY - as will bringing the Silicon Valley expertise to Upstate NY
  - d. Further investigation of expressed need for **tech-transfer support** to determine if tech transfer support is a need that needs to be part of the 5 year plan
  - e. Form **local team for operation of the hub** and provide them with SV training
  - f. Identification/recruiting one or more Upstate NY **advisory board** members and potential Leadership Circle
  - g. **HQ/Hub** location/building downtown Troy with the intend to create a lively open-to-the public cafe/accelerator/event space downtown Troy and in that way participate in revitalization of Downtown Troy

2. **FUNDRAISING PLAN** for a min. 5 year period, including identification of suitable funding sources, such as different government sources, foundation, private donors and potential sponsors. Fundraising will include funds for programs, including investments/grants for startups in the mentoring program. Size of investments/grants will be determined in discussions with key players in the ecosystem as well as available data for the region.
3. **WRITE PROPOSAL** and/or contribute to proposals, where HubSV is not the submitting organization - for following phase(s) and participate in fundraising for program and seed funding

**DETAILS**

Min 2 Silicon Valley based and 2 Troy based team members will work over the next 2-4 months to deliver the above. Provided funds for this work will be spent on time and travel. HubSV's pay will be discounted to participate in getting this program off the ground. Hours will be long as there are extremely short time to sharp deadlines for certain proposals.

There will be at least 2 week face2face workshop in Troy. Workspace will be provided by "Troy".

**ESTIMATED BUDGET**

Fixed price 2 months work over a 2-4 months period in both  
Troy/Upstate NY and Silicon Valley \$40,000  
*All included*

*(Continue to following pages for initial overview over PHASE 2 and 3. Please read for inspiration. Phase 1 will detail Phase 2. Phase 2 will detail Phase 3. This will ensure that the Silicon Valley model and methods will be optimized for Upstate NY)*

## **PHASE 2, Join the Silicon Valley Brain (to be detailed in Phase 1)**

### **Acceleration & Ecosystem Development**

#### **DELIVERABLES**

1. Transform two startup cohorts into customer-centered, execution-focused teams using HUBSV acceleration process. (Standard program outline can be found at the end of this document)
2. Lead two focused workshops, open to the community, each on one selected topic of interest to investors and/or entrepreneurs.
3. Deliver 5 year program plan to build a sustainable HUB and startup ecosystem in Troy; present to leaders of communities, universities, companies, and government; and gather feedback from all stakeholders.

#### **Details:**

We start by providing 2 acceleration programs in 1 year, tailored to Upstate NY, but possibly open for any industry and both early stage and "round a" startups. The first year will provide learning to refine preferred industry/stage targets (building on strength and strategic potential).

There are a variety of ways that Silicon Valley can extend its expertise and for Upstate NY to "join the brain". Examples of which, some could be add-on programs partially or fully paid by participants:

1. Silicon Valley mentors and investors hands-on and partially in-person involved in the acceleration program in Troy and virtually to provide reality feedback and hands-on mentoring for startups as well as being open to networking with Troy/Region folks
2. Silicon Valley investors coming to Upstate NY to participate judging startups in the programs as well as interacting with investors in Upstate NY
3. Mini-conferences about Tech Trends and Investment Trends in Silicon Valley as well as inspirational events for students and others considering starting their own startup
4. Successful startups visiting in SV, partly to build/extend their own network there
5. Work space for startups in the acceleration space, downtown Troy
6. Ideally provide access to live-space in case startups come from outside the state/country (startups must pay themselves) - first program can be without full-time space if need be
7. Program funds and investment funds for startups in the mentoring program. Size of funding/grants for the startups during the acceleration program to be determined
8. Ongoing recruiting of a variety of SV-expertise to help the startups during the mentoring program tailored to the startups' needs
9. World-Class tech-transfer expertise for research/educational entities
10. Silicon Valley industry and experts with expertise in areas that are relevant for corporations in Upstate NY (corporations pay)

#### *Participants:*

Open to startups in the Upstate NY as well as open spots for out-of-state and global startups - the global startups will help put Troy on the world map of locations to go-to for startups from around the

world. Competition is good, it will be a taste of the competition to come, when startups start talking to Silicon Valley.

*Industry focus:*

Initial impression is that it would be useful to have year 1 be industry-pragmatic and that learnings during year 1 will guide us in picking 3 industry area and add an "industry sandbox" so that in reality, we can accept any startup into the program and thus be open to applications our own imaginations "did not see coming".

*Numbers:*

We will screen and select from any number of applications, and hope to see a minimum of 200 applications per program. We should assume min. 10 startups (ideally 20) in the first mentoring program and plan for expanding to 20 in the second program in year 1.

*Mentors:*

Startups will be matched with Silicon Valley lead mentors and other expert mentors (support mentors), incl. local mentors that together fit the needs of the startups. Good Mentor-Matching is seriously important. Extra mentors can be recruited during the mentoring program as needed, which is also building the connection to the SV brain.

*Length:*

Program 1:	6 months from planning to end.
Planning, Application, Screening & Selection:	1 months
Bootcamp w/Investor Pitch Event:	2 weeks
Mentoring Program:	3 months
SV-Immersion Program for "winners":	2 weeks

Program 2: Assumed the same as Program 1, but adjustments can be made as needed. Applications will start at month 5 during Program 1, year 1.

*Operations:*

Location in Troy will be operated by a local team, hired and trained by HubSV to operate as Silicon Valley. An advisory board will be established. A Fund Management Team will be established to administer the Program Fund Money. Assuming interest, we propose to have a recurring Fellowship Program, offering 6 months Fellowships to learn e.g. due-diligence, screening, and assist in accelerator operations. The first year of operation, 1-2 HubSV leaders will manage the Hub in Troy and hire/train their replacement.

*Partners*

During Phase 2, we will finalize additional partnership agreements with key individuals, corporations, and other organizations.

*Attraction of outside startups:*

In collaboration with existing ecosystem, outline actions that can make Upstate NY attractive to outside startups, incl. foreign startups, incl. input and help on execution of a PR campaign in the national/international startup ecosystem.

*Funds:*

Funds raised for the program will cover both program funds and investment funds for startups in the mentoring program. Both types of funds will reside in HubSV's Program Fund that will be managed by a professional fund management team. The fund is setup to include that successful mentors/selected partners/startups can participate in the upside of the program. This will support a sustainable model as well as support cross-pollination among startups and among mentors. If such fund is activated, already during Year 1, the Fund Management Team will be monitor the overall progress of startups based on both financial and impact parameters.

**Time & Cost**

Phase 2 can start as early as 30 days after Phase 1, based on signed agreement. Programming cost will be determined as part of Phase 1 and is expected in the range of \$600K-\$1.5M depending on the final scope. Investments into startups in the mentoring program are not included (size to be determined during Phase 1)..

### **PHASE 3, Continuation of the program in PHASE 2 (To be detailed in Phase 2)**

By month 10 of PHASE 2, agreement is signed to continue the program for a minimum of 5 years with an option to continue or license the HubSV model to a regional operator. In PHASE 3 we expect to add more activities to accelerate the regional ecosystem - activities that continue or expand connection to the SV-brain as well as a professional PR program and elements to bring and train in local expertise, e.g. local mentors and fellows.

Funding & Financial model will be tailored to make the hub financial sustainable over a to be expected 5 year period, so that the funds raised for Phase 3 should be the last fundraising period needed. The 5-year program will be operated in a way so that it can be operated by a local and now SV-trained team - and therefore continue over time as a financially sustainable entity.

We will from Phase 2 have determined needs and potential to take on additional initiatives that can support Upstate NY's ecosystem. For example, it may be attractive to establish a yearly or bi-yearly large startup conference in the Troy/Region with global participation. This would fit in Phase 3.

In PHASE 3 HubSV will assist in raising a Follow-On-Fund for Round A, B, possibly C, when required proof of sizeable quality dealflow can support such raise.