

**CenterState CEO**  
**UP Start Aspire Challenge Project**

**Contestant Capacity**

**1. Organizational Background:** In 2010, the Greater Syracuse Chamber of Commerce and the Metropolitan Development Association of Central New York, two drivers of local and regional economic and business development, merged to form the CenterState Corporation for Economic Opportunity (CenterState CEO). CenterState CEO's staff and leadership have developed and leveraged expertise in convening and facilitating strategic cross-sector partnerships to more effectively and efficiently tackle pressing local and regional economic development needs. Located in Syracuse, NY (Onondaga County) and serving the 12-county CenterState NY region, CenterState CEO's core competencies lie within its four interconnected portfolios: Business and Economic Development; Research, Policy, and Planning; Innovation and Entrepreneurship; and, Economic Inclusion. President & CEO, Robert M. Simpson, leads CenterState CEO and can be reached at [rsimpson@centerstateceo.com](mailto:rsimpson@centerstateceo.com) or 315-470-1800.

Through its Economic Inclusion portfolio, CenterState CEO fosters shared prosperity for all residents through the implementation of employer-based workforce and entrepreneurship development programs serving Syracuse's most marginalized residents. Together, CenterState CEO's Innovation/Entrepreneurship and Economic Inclusion portfolios have served as the cornerstone of the region's robust and growing entrepreneurial ecosystem, through its Tech Garden business accelerator and *Up Start* microenterprise development program. *Up Start* serves residents of low-income Syracuse neighborhoods, including: immigrants, refugees, low-income, racial and ethnic minorities, and returning citizens. Onondaga County has a significant returning citizens population: every year, 1,430 individuals are released from Onondaga County Correctional facility, 900 are released from state prison, and at least 100 are released from Federal prison<sup>i</sup>, while another 12,000 people are cycled through the Justice Center<sup>ii</sup>. At 49%, Onondaga County's three-year state prison recidivism rate is 8% higher than the state average<sup>iii</sup> and its incarceration rate approaches 47% of people who committed criminal offenses<sup>iv</sup>. Aside from the barriers they face due to their former incarceration, citizens returning to Syracuse face life in a city that struggles with one of the highest rates of poverty in the nation (29<sup>th</sup>)—with 50.5% of residents having been unemployed some time in 2015<sup>v</sup>— as well as *the nation's highest rate of extreme poverty concentrated among African American and Hispanics<sup>vi</sup>*. CenterState CEO seeks to mitigate these challenges for formerly incarcerated individuals through the *Up Start Aspire Challenge Project*: providing microenterprise development through strategic partnerships with community-based organizations that are experts in providing financial/credit, legal, and other human services to those living within disadvantaged Syracuse neighborhoods. Please contact Dominic Robinson, VP of Economic Inclusion at CenterState CEO, at [drobinson@centerstateceo.com](mailto:drobenson@centerstateceo.com) or 315-470-1800 for any questions about this proposal.

**2. Background of Management Team:** **Dominic Robinson** is VP of Economic Inclusion at CenterState CEO and was responsible for developing the Economic Inclusion portfolio's framework and strategy. He created and is charged with scaling the successful *Work Train* and *Up Start* programs, building from his work with marginalized populations as leader of Syracuse's Northside Urban Partnership. Dominic will oversee the *Up Start* Program Director's implementation of an Aspire Challenge Award, providing strategic planning support and guidance. Dominic obtained his B.A. from Washington University, with a double major in Religious Studies and Political Economy and studied Urban Studies through the Chicago Studies Program at Loyola University Chicago.

**Daniel Cowen** is Program Director for CenterState CEO's *Up Start* program and will be responsible for implementing the *Up Start Aspire Challenge Project*, including managing instructors and interacting with partners. Daniel identified, and helped develop, a partnership with the Neighborhood Development Center in Minneapolis-St. Paul, working with their staff to adapt their successful entrepreneur training curriculum to the *Up Start* program. He has provided one-on-one Technical Assistance to 55 entrepreneurs and small business participants, created a reduced-rate professional Resource Pool, and secured funding for a character-based revolving loan fund for *Up Start* participants in partnership with a local credit union. Daniel obtained his B.A. at Syracuse University, with a major in Policy Studies and Political Science and a minor in Entrepreneurship.

CenterState CEO  
UP Start Aspire Challenge Project

**Entrepreneurial Education Delivery Solution**

**1. Participant Recruitment Plan:** Up Start will leverage its current recruitment model for use within the Up Start Aspire Challenge Project: working within its existing network of community-based partners to connect with formerly incarcerated Syracuse residents. Specifically, Up Start will broaden the scope of its partnership with the Volunteer Lawyers Project of Onondaga County (OnVLP). OnVLP has a natural line of sight into this population: they connect volunteer attorneys to low-income individuals in need of legal assistance and representation in civil legal matters. CenterState CEO's Economic Inclusion team has worked with OnVLP through its workforce development initiative, *Work Train*, and found their services uniquely positioned to mitigate personal legal barriers to employment. This value-added service will be applied to the Up Start Aspire Challenge Project, to identify and address any personal legal issues that may inhibit participants' abilities to own and grow viable businesses. Dewayne Comer, Legal Assistant at OnVLP—a returning citizen himself— will serve as the Project's recruitment coordinator, working not only within his own organization, but with the other community-based partners that will assist with this project. Should CenterState CEO be chosen for an award, Dewayne has already identified 10 potential formerly incarcerated participants.

CenterState CEO will also form a new partnership with the Center for Community Alternatives (CCA), located in Syracuse. CCA's Onondaga Self Development (OSD) and Self-Development Reentry Program (SDR) provide in-facility cognitive Behavioral Training (*Thinking for Change*), as well as transitional planning for participants who are four months from release from Onondaga County Correctional Facility. After release, the Work to Independence (WTI) program provides ongoing work-readiness and other related services. CCA has indicated that these programs are fitting pre-qualifiers for participating in the Up Start Aspire Challenge Project, providing an additional recruitment source for returning citizen entrepreneurs.

**2. Classroom Instruction:** Through this project, CenterState CEO will enroll Up Start Aspire Challenge Project participants in its *Start It!* Business Basics course, which has been up and running for the past 10 months. Up Start staff adapted *Start It!* from the Minneapolis-St. Paul-based Neighborhood Development Center's (NDC) *Plan It!* curriculum, recognized nationally as a "best practice" that has been adapted and implemented successfully in Detroit, Philadelphia, and Wilmington<sup>vii</sup>. *Start It!* incorporates topics including: accounting; finance; marketing; human resources; product development; and management components; as well as, training specific to the needs of underserved populations in topics such as: budgeting; cash management; and, professional etiquette. The *Start-It!* curriculum is also specifically designed for accessibility by participants with varying degrees of English fluency and proficiency. Since incorporating the *Start It!* course in April 2016, Up Start has trained 37 entrepreneurs, over 90% of whom represent a minority group and 100% with incomes under 80% of Area Median Income (AMI).

Up Start will conduct four (4) cohorts of the *Start It!* course, over 12 months, running two classes simultaneously on different evenings during the week. Each class will serve 8-12 participants, be held at a local community-based organization site, and be led by instructors proficient in small business development and the *Start It!* curriculum. Each concurrent pair of classes will come together during the course's first week, halfway through, and again upon graduation to celebrate course completion. Participants will be encouraged to develop their own business concepts, based upon their own interests and personal goals. Over the duration of the *Start It!* course's 12-sessions, entrepreneurs will build skills and accumulate the tools they need to draft comprehensive business plans that will serve as roadmaps for launching or formalizing their own businesses upon graduation. Over the past year, it was discovered that *Start It!*'s intimate, small-group classroom settings have allowed participants to: gain deep levels of understanding for their classmates' business concepts; draw natural connections to their respective personal networks; and, witness their classmates confront obstacles and succeed. They have become motivated and united around a common goal, spurring previously unforeseen business relationships and opportunities that have flourished beyond the course. Expectations are that this setting will prove especially

**CenterState CEO**  
**UP Start Aspire Challenge Project**

impactful for Up Start Aspire Challenge Project participants, whose past legal challenges present myriad social and personal barriers that peer mentoring and relationship-building can mitigate.

To augment the base curriculum, the Up Start Aspire Challenge Project will include a three-pronged Assessment and Action Plan model in the areas of: Finance and Credit; Legal Barriers; and, Marketing and Communications. Syracuse Cooperative Federal Credit Union— a founding partner of the Up Start program—will conduct a financial and credit assessment for each participant during the second week of the course. At that point, Up Start participants will enroll in the credit union’s Credit-Building Club to mitigate issues that could potentially inhibit their ability to obtain business loans. Halfway through the class, once participants have fully developed their business concepts, Onondaga Volunteer Lawyer’s Project (OnVLP) will conduct a Legal Services Assessment to identify the legal issues that may hinder participants’ abilities to launch businesses: a critical component for ensuring this population’s success. Course graduates will then undergo a Marketing and Communications Assessment to determine how they will work with professional service providers to create goal-driven action plans designed to advance their business plans. *Start It!* graduates will gain access to these professional service providers through Up Start’s *Resource Pool*: a group of Technical Assistance and professional service providers ranging from graphic designers, to accountants, interior designers, and product manufacturers. Upon graduation, entrepreneurs will receive 20 Up Start credit hours towards accessing Resource Pool provider services, free of charge.

Up Start will also provide Project participants with access to a host of area Marketplace Experiences, where participants will test their business ideas before they go out on their own; therefore, mitigating some of the startup risks. Depending upon their respective business or industry, Marketplace Experiences may include: one-night events selling their product/service; a trial period to operate at a bricks-and-mortar space, rent-free; or a six-month residency at *With Love* (a Syracuse restaurant incubator where aspiring food entrepreneurs showcase their cuisine and learn what it takes to run a restaurant).

**3. Mentoring:** The Up Start Aspire Challenge Project will provide participants with 10 hours of one-on-one Technical Assistance with their *Start It!* course instructor, a vital tool in helping them apply the knowledge gained within the classroom setting. Up Start’s Resource Pool will provide additional mentoring opportunities by pairing each graduate with a mentor out of the group of business owners who comprise a portion of the Resource Pool. Up Start Business Advisors will connect participants with Resource Pool mentors who own businesses in either the same or similar industries, so that they can provide course graduates with relevant support, including: business advice, motivation, and networking opportunities.

Up Start is currently forming an Alumni Network for current program graduates to convene on a regular basis around continued learning and networking opportunities. Up Start Aspire Challenge Project graduates will also be invited to participate in this network, providing additional opportunities for peer mentoring and support to help maintain graduates’ focus, enthusiasm, and momentum in launching and growing their businesses.

**4. Community Connections:** Beyond the Assessment/Action Model and Resource Pool, the Up Start Aspire Challenge Project will leverage its position within CenterState CEO to identify member businesses to serve as potential partners, investors, manufacturers, suppliers, and/or customers. Up Start entrepreneurs will also have access to CenterState CEO’s Business Development portfolio team to help them navigate regional business development opportunities, as well as other larger incentives and resources. CenterState CEO also partners with the local SBA and SBDC offices and will therefore refer Up Start Aspire Challenge Project graduates to relevant SBA programming. While Up Start’s full suite of services addresses personal budgeting and financial literacy, Up Start staff will leverage its extensive community-based partner network for the provision of additional services: Up Start staff will refer participants to the Syracuse Northeast Community Center and the Southwest Community Center, both well established, community-based human services provider partners.

CenterState CEO  
UP Start Aspire Challenge Project

**Access to Capital**

1. **Access to micro-lending:** Up Start Aspire Challenge Project participants will have direct access to a character-based, revolving loan fund created specifically to provide loans to Up Start participants. Developed in partnership with Syracuse Cooperative Federal Credit Union, funded by a Syracuse CDBG grant, and currently managed by Up Start staff, this fund has deployed over \$100,000 in loan capital to Up Start entrepreneurs over the past year. Instead of gauging an applicant's credit-worthiness based on their financial past, the steps individuals take towards improving their capacity as borrowers, as well as their commitment to the Up Start program, become the determinants. The Up Start program, itself, is viewed as a risk mitigation factor because of the comprehensive programming that supports entrepreneurs both pre- and post-loan. This loan program also has flexible and forgiving terms, working with individual entrepreneurs to identify problems— foreseen or unforeseen— and adjusting the terms to accommodate the applicant while overcoming those difficulties.

Beyond this loan fund, Up Start is currently building a relationship with the New York Business Development Corporation's (NYBDC) local office to facilitate local connections to the SBA's Excelsior Growth Fund microloan program. Through CenterState CEO, its members, and leadership, Up Start also has direct connections to myriad local, regional, and national banks and credit unions, providing Up Start Aspire Challenge Project participants with broad access to the loan programs that will best fit their needs.

2. **Connection to capital and funding opportunities:** Up Start staff will dedicate a substantial amount of one-on-one Technical Assistance time towards helping Up Start Aspire Challenge Project participants put together highly competitive loan applications. Staff will assist participants with: writing and editing business plans; creating financial projections; walking entrepreneurs through the loan application; compiling all relevant documentation; conducting the research necessary to ensure accurate justifications for the business plan and financials; and, helping to submit the completed loan package. Up Start staff will also advocate for participants, helping them sell their vision to lenders both pre- and post- application.

In addition, the relationship that will develop between participants and Syracuse Cooperative Federal Credit Union staff beginning Week 2 of the *Start It!* course will provide participants with the opportunity to learn how to both interact with financial professionals and further their case for obtaining a loan. The Alumni Network will also include networking opportunities and workshops with area lenders to further facilitate connections within the financial industry before entrepreneurs submit loan applications. Up Start's experience connecting disadvantaged individuals with access to capital in a relatively undercapitalized region,<sup>viii</sup> will enhance the ability of Syracuse's formerly incarcerated individuals to build and grow successful businesses.

**CenterState CEO  
UP Start Aspire Challenge Project**

Citations:

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<sup>i</sup> New York State Division of Criminal Justice Services

<sup>ii</sup> *ibid.*

<sup>iii</sup> *ibid.*

<sup>iv</sup> NYS Department of Corrections and Community Supervision

<sup>v</sup> U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates

<sup>vi</sup> U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates

<sup>vii</sup> Jargowsky, P. "Architecture of Segregation," The Century Foundation,  
<https://tcf.org/content/report/architecture-of-segregation/> (August 7, 2015)

<sup>viii</sup> Over the past 26 years, 4,500 entrepreneurs in Minneapolis-St. Paul have been trained using the *Plan It!* curriculum: 81% of whom have been people of color and 81% from families earning less than 50% of the AMI. For more information: <http://www.ndc-mn.org/what-we-do/business-training/>

<sup>ix</sup> Battelle Technology Partnership Practice study conducted for CenterState NY region (2011).

Finding: Per capita rate of investment in venture capital within the CenterState NY region was \$27, compared to the national average of \$933 per capita in larger markets over the preceding decade.