

City of Santa Fe**Professional Services #16-00118**

Final Report - December 2017**A. 2017 Venture Acceleration Fund (VAF) Overview**

The Regional Development Corporation provided the coordinated services for the Venture Acceleration Fund (VAF) which began with a full call for proposals on February 21, 2017 and a due date of March 31, 2017. Applicants could apply for up to \$60,000 in funding. We received a total of 51 applicants. Following the Down Select meeting held at the Santa Fe Business Incubator on April 12, 2017, fourteen (14) finalists were identified.

The VAF Core Team conducted additional due diligence and then scheduled formal presentations by the finalists before the independent Review Committee.

Prior to formal press release a meeting was held with the donors to share the award recommendations of the evaluation team. Ross Chaney participated on behalf of the City of Santa Fe. All donors were given an opportunity to ask questions and share insight on the process. All donors validated the recommendations of the evaluation team.

In 2017, donors included Los Alamos National Security (LANS); Los Alamos County; Santa Fe County; Manufacturing Extension Partnership (MEP); Century Bank and the City of Santa Fe. The total amount available for allocation was \$300,000 and a total of \$289,000 was awarded. Of that, \$168,000 was awarded to Santa Fe-based companies.

The average VAF award amount for the past three years has been \$40,000.

B. Preparation Workshops and Follow-Up Services

To boost business acumen and the potential of creating a winning application, the RDC offered fall and winter workshops on Lean Startup Methodology, Market Strategy and Assessment, and Finance to startups. In addition, ABQid was hired to hold a Pitch workshop to prepare applicants in the event they made it to the (final) pitch round. These workshops were held in Santa Fe and, although they were primarily marketed to potential VAF applicants, enrollment was open to all startups. Four of the six 2017 awardees attended one or more of these workshops.

All VAF applicants and awardees were contacted by the RDC following the VAF process. One-on-one follow up meetings were scheduled and Business Retention and Expansion (BR&E) services were provided to help connect companies with the resources needed to move forward.

C. 2017 VAF Awardees

The recipients of the 2017 Venture Acceleration Fund awards were highly diversified covering both rural and metro areas of northern New Mexico and spanning industries from energy-efficient building structures, to sophisticated e-commerce sites, to state-of-the-art advanced composite structure manufacturing. The six 2017 VAF awardees are listed below. The first three are based in Santa Fe.

- **Extraordinary Structures, Santa Fe** - Manufacturer of innovative modular components that streamline the construction process and make it easy to quickly assemble energy efficient structures.
- **Length Width Height, Santa Fe** - An e-commerce site for custom upholstered furniture that allows customers to design their own high-quality pieces directly on the site.
- **YXO, Inc., Santa Fe** - A state-of-the-art manufacturer bridging the gap between metals and plastics with a proprietary advanced composite structure that enables structural rigidity, fatigue and impact tolerance with applications from the aerospace to sporting goods industries in an easy-to-use erector set platform.
- **Tall Foods, Ribera** - A company bringing high-quality sustainable ostrich meat and other products (including leather, hypoallergenic feathers, and eggs) to the discerning and conscientious consumer.
- **Necessity Gas, Edgewood** - Manufacturer of industrial gas detectors that will be able to detect leaks in natural gas wells and pipelines from trucks, drones and aircraft.
- **Dee Dee's Finest Beef Jerky, Espanola** - Maker of paper-thin, crispy beef jerky.

D. Santa Fe-Based VAF Awardees

- a. **Extraordinary Structures** made great advances with the assistance of the VAF award. The \$48,000 award was used to purchase much-needed rendering software and hardware and to train staff on the new software. The software and hardware were required to complete a second generation of the company's panelized construction system. The VAF project also allowed the company to receive certification of their panelized system by the New Mexico Construction Industries Division (NMCID) and the company was approved by NMCID as a modular builder. Extraordinary Structures is currently the only New Mexico-based approved manufacturer of modular construction components. The second generation panel system engineering under the VAF agreement has now been put into practice in two residential construction projects. Since beginning the VAF project, the number of company employees has increased from 2 to 7. Extraordinary Structures completed their VAF project in December of 2017.
- b. **YXO, LLC** completed their VAF project in December of 2017. The company used their \$60,000.00 VAF award to design a multi-axes platform that facilitates the building and mechanization of proprietary structures. Production of the structures requires unique, precise, complex motions from the machine. The goal of the project was to design and successfully build the prototype machine for mechanization of production. The prototype greatly increases the company's production ability from one 4-foot stick every 2nd day to possibly 1 an hour.

Initially the company thought the design of the machine would be the hardest technical hurdle, but the project proved that the required programming was far more difficult. The final machine design was completed with VAF funds in December 2017, and the company was paid in full.

The company is currently in negotiations with two major manufacturers for use of their technology.

- c) VAF funding for **Length Width and Height, LLC** supported the completion of a custom built website (prototype) that allows customers to design their own high-quality furniture directly on the site. The start of the project was delayed when the Founder and President determined that the original programmer hired to do the complex coding, was unable to meet the requirements of the project. After an extensive RFP process, two vendors were selected to develop the website in the fall of 2017 and the project moved forward. The timeline for all of the project's subsequent milestones were revised, and are due in the spring of 2018. Therefore, none of the \$60,000 in funding was paid out in 2017, but it will be paid out in the spring of 2018.

E. Economic Impact

