

# **Hernando County Business Incubator Feasibility Study**



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## **Section 1: Organization, Governance, & Core Feasibility Questions**

### **Feasibility Study Methodology Overview<sup>1</sup>**

The methodology used in the Hernando County Incubator Feasibility Study centers on a structured, evidence-driven process to assess whether a business incubator should move **forward (“go”) or be reconsidered (“no go”)** based on local market readiness, stakeholder needs, identified sponsors, resource adequacy, and economic context. This multi-phased process incorporates both quantitative and qualitative techniques to ensure a rigorous assessment tailored to the unique conditions (risks and opportunities) of Hernando County. The feasibility report is not a substitute for a business plan. *The next step is for the County to develop an operational and strategic plan for its entrepreneurship efforts or engage an industry consultant to do so.*

### **Stakeholder Engagement and Data Gathering**

The first step involves extensive stakeholder interviews and a community ecosystem survey, engaging over 80 community stakeholders, including 20 leaders from various sectors (government, education, business, finance, and workforce agencies), as well as a broad cross-section of local entrepreneurs and service providers. This Feasibility Study engagement surfaces support levels and uncovers historic pain points, critical resource gaps, past false starts, and the degree of local ownership required. The method gives weight to past project missteps, ensuring the analysis does not merely rely on enthusiasm but also tests for execution risk and local trust - a key consideration for determining whether to proceed.

### **Comparative Matrix Analysis**

Data from the stakeholder interviews and surveys are systematically compared through detailed matrices that map and align findings, revealing where the needs and priorities of the community align (or conflict) with those of institutional partners. Categories such as funding access, client deal flow<sup>2</sup>, space/facility needs, targeted industry sectors, mentorship requirements, and past program failures are evaluated side by side, clarifying opportunities, unresolved risk factors, and delivery gaps. The matrices allow for a transparent, criteria-based approach and help prevent unbalanced decision-making based on a single data channel.

### **Site Selection and Feasibility Scoring**

A weighted scoring approach evaluates and ranks potential incubator sites, incorporating readiness (speed to launch), cost, visibility, fit with industry and community priorities, and strategic potential for sector programming. Each site is given a composite score based on these criteria, ensuring the go/no-go recommendation is grounded in practical logistics and economic alignment. The analysis also reviews facility size benchmarks and planning criteria drawn from national incubator studies,

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<sup>1</sup> The use of Salus Business Advisors, LLC, SBA, Mark Long, or Consultant are mutually interchangeable throughout this report.

<sup>2</sup> **Deal Flow** is a key metric that is best described as the likely number or pool of qualified ventures, founders, or entrepreneurs meeting the proposed business incubator eligibility requirements.

ensuring that Hernando's plans align with best practice standards while being customized to the local context. Scores are based on the Consultant's experience, expertise, and past projects.

### **Economic and Cluster Analysis**

The methodology involves a comprehensive analysis of county-level business and employment data (2015-2025), examining establishment growth, the rate at which businesses open and close, sector trends, average firm size, and the number of jobs per firm. This data-driven approach enables the study to determine whether the market can reliably support a new incubator and whether the target segments (e.g., firms with 2-9 employees) are viable sources of sustained demand. Using multi-year trends helps anticipate future risks and ensures recommendations are forward-looking rather than reactive.

### **Success Criteria and Go/No-Go Triggers**

Finally, the study compiles a viability matrix of essential criteria, including right-sized space allocation, partnership engagement, sustainable operating model, clear KPIs, and leadership structure, derived from local research and national benchmarks. Any substantial, unresolved gap in these domains is highlighted as a "red flag." The go/no-go determination is thus not a straightforward yes-or-no call. Still, the incubator should move forward only if sufficient evidence exists for strong local leadership, credible funding, robust demand, a transparent commitment to outcome measurement, and strong alignment with county/regional economic development strategies. The methodology is an iterative, multi-step process that combines community engagement, comparative analytics, site and industry scoring, and long-term financial analysis - advancing to the 'go' phase only if the core readiness and sustainability conditions are met. If significant risks remain unaddressed in critical areas - such as funding, leadership, or ecosystem fit - the process recommends a "no go" or the need for significant redesign/reset before implementation.

### **Core Business Incubator Feasibility Questions**

The four fundamental feasibility questions under consideration to assess the go/no-go determination are as follows:

#### **1. Is there an adequate and quality deal flow to support and sustain a thriving incubator?**

**Adequate and quality deal flow in Hernando County is achievable, but sustaining a thriving incubator will require disciplined, ongoing management and targeted strategy.**

## The feasibility study finds:

- The pipeline of potential entrepreneurs is growing, fueled by population growth and unmet demand among local service businesses, light manufacturing, and select advanced sectors.
- Survey results confirm 74% of respondents believe an incubator is needed to a “great extent,” and over 75% are likely to use physical or hybrid incubation services.
- Economic data indicate that establishment growth (CAGR 1.81%) remains steady, with the most dynamic activity observed in firms with 2-9 employees (CAGR 2.65%).
- Although startup turnover is high (“churn”), most new firm creation and net job growth are tied to expanding small businesses - not solo entrepreneurs or large corporations.

However, deal flow is not unlimited. The market is entering a “mature phase,” and the creation rate of new startups has plateaued since 2021, increasing the risk of underutilization **if the incubator is not well-targeted and flexible**. The study recommends phased expansion and robust screening of clients to ensure deal flow matches facility and program offerings.

**2. Is there a logical and willing champion to sponsor the incubator, and are they committed to decades of support, engagement, and investment? If so, who is it?**

**A critical gap exists: no individual or organization has stepped forward to serve as the sustained, high-credibility champion or lead sponsor for the incubator, and this missing leadership (both organizationally and financially) is one of the most significant risks identified for the project.**

## The feasibility study finds:

- The “lack of a single empowered champion or anchor organization” is a significant vulnerability, with leadership described as fragmented (“diffused”) and at risk of becoming bureaucratic rather than entrepreneurial.
- A broad community stakeholder buy-in exists, including the County government, Chamber of Commerce, SBDC, technical college, and local banks; however, no single entity has committed to decades-long sponsorship, funding, or leadership at the time of writing.
- Multiple interviews and survey responses indicate a strong willingness among these organizations to participate, contribute mentorship, or provide operational funding, but not the direct, long-term sponsorship required for enduring success.
- Recommendations call for recruiting a “face of the incubator” (a high-credibility executive director) and forming a cross-sector advisory board; however, these steps remain unfilled.
- A commitment to decades of support has not yet been secured. Urgent action is required to appoint a visible and trusted champion and clarify the responsibilities of the sponsoring entity before launch.

**3. Is the community ecosystem ready to support and sustain a business incubator? Are they realistic in their expectations for what an incubator can accomplish? Is the motivation for a business incubator aligned with the community's integrated economic development strategy?**

**Yes - community readiness, alignment, and motivation are strong, but expectations require ongoing management, fine-tuning, and calibration of realistic expectations.**

**The feasibility study finds:**

- Both stakeholder interviews and surveys indicate a high level of community demand and support, with nearly all leadership and business groups favoring the incubator, particularly as a “one-stop shop” resource.
- Readiness is moderate to strong. The study notes: “credible local leadership is essential.” Past failures (e.g., Innovation Collective) underscore the importance of authenticity and transparency.
- The incubator’s goals align closely with Hernando County’s economic strategy: diversification into manufacturing, healthcare, aviation/aerospace; retention/upskilling of the local workforce; and bridging funding gaps for startups.
- Expectations are mostly realistic but must be continually managed. Stakeholders emphasize that the incubator must deliver tangible impact (such as graduations, jobs, and retention) rather than just ribbon-cuttings or vanity metrics. Skepticism remains due to the history of failed or poorly executed similar initiatives in the past.
- Community motivation aligns closely with long-term economic development strategy, but sustained engagement, transparent reporting, and calibrated expectations are essential for credibility and incremental growth.

**4. Can the incubator reach/ramp-up to an acceptable operational, financial, and programmatic sustainability level over a reasonable time horizon (5-10 years)?**

**Yes, provided the incubator model is phased, flexible, and explicitly addresses known risks, sustainable operational, financial, and programmatic performance within 5-10 years is achievable. One or more anchors are likely needed to ensure program viability. In the long term, sustained financial subsidies will likely be necessary to bridge the gap between facility size and the provision of high-quality programming.**



## The feasibility study finds:

- A well-developed tiered site selection and phased facility growth plan (starting with sites like Sonlight Plaza for immediate activation, future expansion at BKV Tech Center – Helicopter Drive) to match ramp-up needs with operational readiness and cost efficiency.
- Funding sustainability is always a significant risk. County funding will be required for an extended period, with other revenue streams involving a mix of grants, private sponsorships, and earned/incubator revenue, and founder capital access is a gap (such as a micro-loan fund)
- Success factors include maintaining an occupancy rate of 80% or higher, establishing strong public-private partnerships, diversifying income streams, and providing robust programmatic recruitment, mentorship, and technical assistance offerings.
- KPI frameworks, long-term tracking, and transparency are all recommended, along with 3–5 years of Best practice post-graduation follow-up to ensure actual business impact.
- The study expects facility, programmatic, and financial sustainability to be achievable, provided risk mitigation, stage-specific programming, and disciplined execution are in place.

**Table 1.1 Core Feasibility Questions Summarized<sup>3</sup>**

Question	Key Finding(s)	Supporting Evidence	Rating
<b>1. Is there adequate deal flow to support and sustain a thriving incubator?</b>	Strong demand exists, especially among small employer firms (2–9 employees); market is growing but maturing, so robust screening, focus and flexibility are needed.	<i>74% survey demand; 2–9 job firm segment has 2.65% CAGR; need for phased expansion and fit to market size.</i>	<b>Moderate-Strong</b>
<b>2. Is there a logical and willing champion to sponsor the incubator?</b>	No single champion identified yet; broad willingness among County, Chamber, SBDC, but leadership is diffused and a critical risk unless resolved before launch.	<i>Leadership vacuum cited as a critical risk; call for a visible incubator director and a freestanding legal entity.</i>	<b>Weak-At Risk</b>
<b>3. Is the community ecosystem ready and aligned with economic strategy?</b>	Broad and deep community support; motivations well-aligned with local economic plans. Realism and readiness are strong, but expectation management is needed given past failures and high ambition.	<i>High survey &amp; interview alignment; 74% say incubator needed; clear utility to economic diversification, job growth, and upskilling.</i>	<b>Strong</b>

<sup>3</sup> [Appendix 6](#) provides a public inspection copy executive summary of this report for use with stakeholders and to communicate with potential sponsors, funders, and community leaders.



Question	Key Finding(s)	Supporting Evidence	Rating
4. Can the incubator achieve operational/financial sustainability in 5–10 years?	Yes, with phased site rollout and mixed-use model, but only if funding diversity, robust leadership, and continuous local engagement are secured. Risks remain around long-term capital, operational funding, and occupancy.	<i>Success dependent on diversified revenue, minimum 80%+ occupancy, strong KPIs, and sustained partnerships; significant risks flagged</i>	<b>Moderate</b>

#### Ratings Explained:

- **Strong:** Conditions well met; excellent prospects for this criterion.
- **Moderate-Strong:** Mostly met; requires ongoing effort, but prospects are good;
- **Moderate:** Feasible with caveats or risks that need active management; and
- **Weak-At Risk:** Significant gap or vulnerability identified; requires decisive action.

#### **Consultant Recommendation:**

***The County should move forward with developing a 15-20,000 sq ft Entrepreneurial Assistance Center at a centrally located site.***

## **Governance & Organizational Structure**

### **Operating Environment and Competitive Landscape for ESOs**

New and existing business incubators in Florida face significant competitive headwinds tied to changes and risks in federal funding and entrepreneurial support infrastructure. Widespread reductions in government agency budgets are tightening the flow of funds for Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. FY 2026 budget requests indicate significant cuts to these funding pools – for example, agencies such as NIH and NSF may see SBIR/STTR funds decrease by at least 30% to 50%, and the STTR set-aside is being reduced by half. Meanwhile, agencies supporting defense and homeland security are expected to maintain or increase their funding. This means greater competition for smaller pools of non-defense innovation grants and a more challenging environment for early-stage, science-driven ventures.

The Economic Development Administration (EDA), a vital source of grant capital for incubators and ecosystem programs, is under threat of elimination or significant restructuring according to federal reform proposals, which recommend abolishing the agency and reallocating its funds, leaving a gap for economic recovery and regional innovation programs. At the same time, the nation's largest small business mentoring network, SCORE, faces the possible elimination of its \$17 million annual federal budget. Advocates warn that such cuts would deprive hundreds of thousands of entrepreneurs of critical mentoring, coaching, and advisory support, at a time when these services are more vital than ever.

Despite these risks, economic volatility and uncertainty have historically spurred the creation of new businesses, as individuals seek opportunities outside traditional employment. A surge of freelancers is likely to emerge in 2027 and beyond, while thriving metro markets like Greater Tampa and the broader Florida ecosystem continue to fuel accelerated innovation. Florida's robust entrepreneurial climate - grounded in a large and diverse talent pool, adjacent industry clusters, and record-level in-migration - remains a critical asset for startups and emerging companies, even as public sources of seed capital and mentoring become scarcer.

As a result, the incubator landscape is being shaped by heightened demand and increased pressure to find alternative sources of operating support and earned income streams, often from private or synergistic sources. Uncertainty surrounding Florida property tax reform, as well as the need for belt-tightening municipal budgets, will make funding economic incentives and an incubator service contract even more challenging for Florida's municipalities.

Hernando County government support is broadly recognized as adequate for initial incubator launch costs and limited pilot programming. Still, local stakeholders agree that county/municipal funding is insufficient for covering ongoing operational expenses, robust programming, and substantial facility investments over time. Local entrepreneurs also face weak angel and venture capital markets, relying instead on personal savings, banks, and the SBA. At the same time, critical alternative mechanisms, such as microloans or seed funds, remain unavailable. Given that clients will need to pay for the services offered, lease-up rates (in terms of per-square-foot cost and time to achieve occupancy benchmarks) may be dampened or softened by this fact.

## **Incubator Sponsor & Legal Entity Type<sup>4</sup>**

A mixed-use business incubator in Hernando County will require a credible, locally embedded fiscal sponsor to manage funds, govern operations, and ensure transparency and accountability. Stakeholder interviews and survey responses reveal concerns toward a non-community driven model, as well as for-profit-led models, and broad support for a public-private, nonprofit sponsorship structure anchored by trusted local entities.

**Table 1.2 Main Fiscal Sponsor Business Incubation Structures**

<b>Organizational Sponsor</b>	<b>Pros</b>	<b>Cons</b>	<b>Evidence/Benchmark</b>
<b>County Government (Direct)</b>	High credibility, public oversight, grant access	Slower execution, bureaucracy, may lack entrepreneurship	County owns top long-term site.
<b>501(c)(3) Nonprofit (Ecosystem/Economic Dev)</b>	Access to grants, agility, community trust, can accept donations	Needs credible leadership, governance structure	Most FL incubators, e.g., UCF Incubator, & SmartStart Pasco
<b>University or College Affiliation</b>	Integration with talent pipeline, grant alignment	May dominate academic priorities, less business flexibility	UCF, PHSC engagement, strong stakeholder support
<b>Chamber</b>	Networked, entrepreneurial, connected, potential donor base	Risk of conflicts, less public accountability	Hernando Chamber is frequently cited
<b>For-profit/Hybrid (e.g., B Corp)</b>	Potential innovation, investment/funding options	Least local credibility, trust, transparency concerns	Not recommended by local stakeholders and not a preferred structure of most incubation programs

- Stakeholders and survey data strongly prefer a 501(c)(3) nonprofit model anchored by public/private partners (County Economic Development, Chamber, PHSC), with an empowered executive director and a cross-sector board, as the most legitimate and feasible approach.
- The fiscal sponsor should provide access to public grant funds, transparent fund management, and be able to enter public-private contracts.

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<sup>4</sup> Business Incubator, entrepreneurial support organization, entrepreneurial assistance center are all used to describe the same thing a place-based entrepreneurship support program that accelerates the growth and development of early-stage ventures and over time, increases the likelihood of their success and improves venture survivability. The Hernando Entrepreneurial Assistance Center is a branding name used in the report for the proposed business incubator to position it as offering facility services, shared services, and support services.

**Table 1.3 Recommended Organizational Type for the Business Incubator**

The major types of incubator organizational/legal entity types are highlighted below:

Org Type	Key Functions	Local Benchmark/ Examples	Strengths Noted in Study
<b>501(c)(3) Nonprofit</b>	Grants/contracts, convening multi-sector partners, hiring staff, reporting on impact	UCF Incubator (replicated in Eustis, Orlando); Pasco's SmartStart	Eligible for public, private, and federal grants. Flexible, trusted.
<b>County-owned</b>	Direct government operation, asset ownership, reporting	Brooksville-Tampa Bay Regional Airport	Public control but can be slower and less entrepreneurial.
<b>University/ College-Affiliated</b>	Program delivery, education/workforce integration	PHSC/Simpson Tech partnerships, UCF model	Seamless integration with workforce/education.
<b>For-profit</b>	Lease or management for fee, profit-driven	None recommended locally	Local stakeholders skeptical; not recommended by benchmarking.

**Org Structure Comments:**

- Most similar Florida and US mixed-use incubators under 20,000 sq ft are independent 501 (c) (3) nonprofits, sponsored by county government, higher education, and business organizations.
- Board structure: local credible leaders (business, education, banking, entrepreneurship), with official county seat and anchor partners and funders.
- Org structure is a function of many variables, including grant eligibility, credibility, stakeholder buy-in, agility, transparency, cost of formation, insulation from political headwinds, and scalability.

**Organizational Structure & Governance Recommendations**

The strategic recommendations below in [Table 1.4](#) provide a clear, evidence-based blueprint for structuring the Hernando County business incubator to maximize community trust, attract sustainable funding, and ensure effective governance. Drawing from national best practices and extensive local input, the study identifies a multi-stakeholder, nonprofit-led model - such as a 501(c)(3) structure - as the optimal fiscal sponsor. Stakeholders strongly favor this approach and align with the funding models preferred by public and private Grantmakers, ensuring greater legitimacy and broad-based support.

Leadership and legal organization are critical pillars in building credibility and local ownership. The recommended board composition, comprising county economic development, chamber, educational, banking, and industry leaders, responds directly to stakeholder calls for visible, locally rooted governance. Diverse, reliable funding sources are prioritized, with a clear warning that county funding alone is unsustainable. The model emphasizes transparent public reporting, robust tracking of impact KPIs, and phased program delivery in partnership with existing

ecosystem organizations. This comprehensive structure is designed to foster trust, measure performance, and deliver flexible, high-impact services as the facility evolves.

**Table 1.4 Program Structure: Strategic Recommendations\***

Dimension	Highest Best Practice Fit	Evidence from Study
<b>Fiscal Sponsor</b>	501(c)(3) or ED-led nonprofit, multi-stakeholder	Stakeholders prefer, cited as best practice, accepted by funders
<b>Legal Organization</b>	Nonprofit (IRS 501c3 or state economic dev entity)	Aligns with funders, public partners
<b>Board Composition<sup>5</sup></b>	County Economic Development/ Colleges/ Banks/Industry/Serial Entrepreneurs	Strong call for visible, local, credible leadership
<b>Core Funding Source</b>	County Economic Development, grants, program revenue, other philanthropic support	County/public will not sustain alone; diversified sources stressed
<b><u>Reporting &amp; Accountability</u></b>	Transparent public reporting, impact KPIs aligned with key programmatic goals	Survey, interviews, and risk analysis emphasize trust/accountability
<b>Service/ Program Delivery</b>	Via nonprofit, with ecosystem partners, own leased/owned facility if possible	Mirrors all FL benchmarks; phased for facility buildout

### **Key Definitions & Terms**

Acroynms	Meaning	Definition
<b>CAGR</b>	Compounded Annual Growth Rate	Annual rate of change over a period (increase or decline).
<b>KPI</b>	Key Performance Indicator(s)	An impact metrics or measurable outcomes.
<b>EIR</b>	Entrepreneur-in-Residence	a serial entrepreneur employed by an entrepreneurial support organization who coaches, mentors, and advises early-stage ventures.
<b>WKI</b>	Wendy Kennedy International	A high impact visualization coaching program focused on technical, scientific, or medical ideas/ideation.
<b>501(c)(3)</b>	Non-profit legal organizational entity	Type of Non-profit legal organizational entity.
<b>ESO</b>	Entrepreneurial Support organization	A type of public or private organization whose primary focus is on serving entrepreneurs and/or founders.
<b>NAICS</b>	North American Industrial Classification System	Six-digit number used to classify business establishments and collect, analyze, and publish statistical data about the U.S. economy.
<b>TD&amp;L</b>	Transportation, Distribution & logistics	A targeted industry sector or cluster focused on encompasses the planning, management, and physical movement of goods, materials, and people by various modes (road, air, rail, and water), as well as related support services.

<sup>5</sup> Initial founding board or advisory board should include 5-9 diverse community members who represent a wide cross section of the community including funders, service providers, government, serial entrepreneurs, and educators. Optimal non-profit board size is typically 7-11 members but 5-9 is recommended founding board size to be agile and market responsive.

## Section 2: Stakeholder Interviews Executive Summary

Hernando County is well-positioned to establish a business incubator, with widespread stakeholder enthusiasm across government, business, education, and the broader entrepreneurial ecosystem. Direct interviews with over 20 leaders, including the Chamber, ED, SCORE, SBDC, banks, technical colleges, employers, and elected officials, consistently affirm that a centralized incubator would fill urgent gaps, streamline resource navigation, strengthen mentorship, and address local funding shortcomings.

However, this momentum must be paired with disciplined execution and strong guardrails. While the opportunity is substantial, prior failures in the region make clear that a successful incubator requires the following:

- Local leadership is essential; credibility and trust are non-negotiable.
- Do not attempt to “copy-paste” another county’s model. Programming must fit Hernando’s unique mix of small service businesses, light industry, manufacturing, and local workforce realities.
- Ongoing communication, clearly defined milestones, and successful storytelling are essential to maintain continued buy-in, especially in an environment still wary of past negative experiences.
- A bridge of public and private investment will be needed. Stakeholders caution that county funding alone is neither adequate nor sustainable; diversified, long-term operational revenue sources must be identified early.<sup>6</sup>

The comprehensive stakeholder interviews from a cross-section of community leaders indicate that Hernando County exhibits **moderate to strong readiness** to support a business incubator, with a high level of ownership and buy-in, strong alignment with economic development goals, but notable risks surrounding funding, incubator leadership (a local influential champion), and long-term community engagement.

Most see an incubator as a valuable “one-stop shop” resource, specifically referencing **SmartStart Pasco** as a model. Still, most emphasize the need to tailor the approach to Hernando’s unique mix of small services, retail, light industry, and select advanced manufacturing ventures.

Community survey responses (cited or paraphrased through stakeholder interviews in [Appendix 4](#)) indicate a high level of interest among aspiring entrepreneurs and business support entities; however, a gap exists between interest and execution that the incubator must bridge through skilled navigation (planning, outreach, hiring an executive director, fundraising, client recruitment) and practical programming to address venture type (targeted industries, stage, known venture gaps or barriers.)

### **The Big Picture**

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<sup>6</sup> Neighboring Pasco County adopted a highly successful Penny for Pasco to fund economic initiatives and incentives. [https://www.pascocountyfl.gov/services/office\\_of\\_economic\\_growth/penny\\_for\\_pasco.php](https://www.pascocountyfl.gov/services/office_of_economic_growth/penny_for_pasco.php)

There is strong and consistent agreement across all stakeholder groups that Hernando County should develop a business incubator. However, local support hinges on getting four core factors right: **location, funding, leadership, and learning from previous missteps.**

Stakeholders repeatedly call for a centralized "***one-stop shop***" and "***support system***," a visible, accessible hub that makes it easier for entrepreneurs to find resources, mentors, and practical guidance under one roof. Incremental coordination between siloed organizations won't be enough; success means building an environment where business builders know exactly where to go and whom to trust to get what they need to start, grow, and scale.

Community trust is paramount. Past failures, notably the **Innovation Collective**, which was perceived as outsider-driven and poorly executed, left a lasting impression. For the incubator to succeed, it must be grounded in credible local leadership and ongoing, transparent communication. Top-down approaches risk immediate community resistance and undermine local trust & legitimacy.

### **Local Demand and Ecosystem Fit**

***There is broad and consistent demand for a business incubator in Hernando County, with direct support from the Chamber, SBDC, banks, technical colleges, city/county leadership, and the business community. Stakeholders view the incubator as essential to serve as a “one-stop shop” and a reliable “support system” for entrepreneurs and high-potential businesses.***



**The incubator's<sup>7</sup> goals are strongly aligned with local economic & community priorities:**

- Diversify the economy into advanced manufacturing, healthcare, aviation, and aerospace/logistics.
- Retain and upskill the local workforce.
- Bridge persistent funding gaps and navigate fragmented business support and talent pipelines.

Stakeholders repeatedly emphasize that past failures, such as the Innovation Collective, need local, trusted leadership and community ownership. Any successful model must be inclusive, transparent, and “*community-driven*.”

Banks, economic development organizations, technical colleges, and established business coaches have all expressed willingness to directly contribute mentorship, programming, funding, and operational support. The pipeline of potential entrepreneurs is growing, fueled by population growth and unmet demand among local service and main street businesses, as well as emerging industrial sectors.

This positive momentum is reinforced by specific offers from major partners and service providers to participate, deliver educational programming, and act as mentors or sponsors. While a few interviewees remain cautious, most indicate they will get involved if the incubator presents a clear, differentiated value proposition managed by a team with deep local credibility.

**Clear Value Proposition**

The proposed incubator must deliver clear, tangible value that addresses the frustrations and unmet needs repeatedly voiced by Hernando's entrepreneurial, business, education, and civic leaders. Please also review [Appendix 4: Selected Stakeholder Comments](#) when reviewing the comments below. **The value proposition should include:**

- Creation of a unified access point (central hub) so founders no longer struggle to find the proper support, avoiding the current maze of disconnected services and duplicated efforts.
- Offer essential, hands-on training in legal and tax compliance, financial management (including QuickBooks), marketing, leadership, and day-to-day business operations. These areas are noted as persistent knowledge gaps among new and growing businesses.
- Build a roster of local CPAs, attorneys, banks, experienced entrepreneurs, and service providers who are willing to provide mentorship, direct guidance, and support - beyond generic encouragement - with concrete, relevant advice.
- Provide workspace options adaptable to various businesses, including early-stage ventures in services, light manufacturing, and technical fields, with enough flexibility to avoid the “one-size-fits-all” pitfall.
- Partner closely with technical schools, colleges, and workforce agencies to ensure programming aligns with the local talent pipeline, offering direct pathways from education to employment and business creation.

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<sup>7</sup> References to the business incubator is to the physical place-making building. References to the business incubation program refer to the **space + support services + shared services** that forms the overall entrepreneurial support organization.

## **Call to Action:**

The incubator must be launched and operated by credible ecosystem builder professionals committed to responsiveness and community ownership to realize and deliver the benefits and services above. Stakeholders are ready to lend their expertise, support, and programming, but this will only succeed if the incubator stands as Hernando's trusted one-stop shop for entrepreneurship. The time to organize, resource, and build this local jobs and company engine for growth is now.

## **Significant Gaps and Red Flags**

Stakeholders repeatedly identify four critical risks threatening the effectiveness and sustainability of an incubator initiative. [Refer to Appendix 2 for a clearer understanding of the SWOT analysis.](#) These gaps should be addressed directly to avoid repeating the failures of prior efforts:

### **1. Insufficient Funding and Capital Access**

High-growth startups consume capital: there is virtually no local angel investment, banks maintain strict lending criteria, and few founders have personal means to bootstrap for very long. Without a robust micro-loan fund, modeled after Pasco County's or others, many promising businesses will never launch or will leave the county.

***Mitigation: Secure seed funding for a local micro-loan or early-stage grant program and cultivate a pipeline of local or regional angel investors. Engage county and private partners to co-fund pilot investment solutions.***

### **2. Lack of Centralized Navigation and Connection**

Founders report a confusing maze of disconnected resources, including the Chamber, SBDC, SCORE, and banks, without a clear entry point or a pathway for commercialization/launch support. The absence of a "lead navigator" leaves entrepreneurs bouncing aimlessly, missing opportunities, and duplicating work.

***Mitigation: Designate the incubator as the single point of coordinated intake, proactively mapping and connecting all available business resources. Deploy dedicated ecosystem navigators who guide founders along structured, stepwise support journeys.***

### **3. Workforce and Talent Pipeline Misalignment**

Although schools and colleges are active, their offerings often fail to meet the hiring needs of startups. Employers encounter critical gaps for technical, skilled trades, and STEM roles due to inconsistent communication and a lack of tailored workforce partnerships.

***Mitigation: Formalize partnerships between the incubator, technical colleges, and local schools to align curriculum with the needs of high-growth and main street ventures. Launch a shared communication platform and hold regular industry-education roundtables to ensure that talent pipelines align with employer demand.***

#### 4. **Fragmented and Siloed Support System**

Current support is fragmented, even where individual providers are enthusiastic, resulting in a patchwork landscape with piecemeal programming and resources. Nearly every interview calls for a true, centralized hub that offers more than just space—a place that provides hands-on navigation, consistent mentorship, and a vibrant Founder’s community.

***Mitigation: Anchor the incubator as the visible and trusted community hub, convening all partners for joint programming and networked mentorship under one roof. Build out clear success metrics and regular feedback loops to ensure the support system remains cohesive, high-touch, and responsive to community needs.***

Addressing these four red flags with deliberate, locally attuned action is essential if Hernando’s entrepreneurial ecosystem is to activate and achieve its ambitious economic impact and other KPI goals ([see metrics section for examples of critical trackable KPIs](#)).

#### **Sector Focus and Facility Recommendations**

The stakeholder interviews generally endorsed/supported the following key practices. This section should be evaluated using [Table 2.2: Key Facility/Programming Themes](#) to gain a better understanding of patterns, insights, and trends.

- **Balanced Industry Mix:**

Stakeholders agree that the incubator should serve various sectors, not just advanced manufacturing, aerospace, or healthcare. A mixed-use approach, including “main street” businesses (such as service, retail, construction trades, creative, and franchise) and high-growth, technology-driven firms, will mitigate risk, support local economic diversity, and align with Hernando’s unique needs and regional strengths.

- **Stage of Company:**

The facility should be open to early-stage startups (solo founders, small teams, ideation) and growth-stage companies (2–9+ employees seeking market expansion or product development). This allows flexibility to feed the full entrepreneurial pipeline and respond to high demand for space, mentorship, and market navigation.

- **Likely Service Offerings:**

Provide accessible, customizable innovation, technical, and business building support, including:

- Practical business education (legal, tax, HR, compliance, QuickBooks)
- Navigation through permitting and regulatory challenges
- Leadership, financial, and operational coaching
- Tailored industry-specific labs, technical spaces, and production zones
- Networking, mentorship, and peer community programming

Special emphasis should be placed on “one-stop-shop” navigation, collaborative programs with technical education, and access to grant/micro-loan opportunities.

- **Location Prioritization:**

There is an overwhelming consensus (long-term) for establishing the business incubator near the Airport/Tech Center corridor, leveraging proximity to the technical college, career center, major employers, transportation links, and available expansion land. Downtown Brooksville is also recommended for pilot initiatives focused on B2B, creative, or professional service ventures, and as a revitalization anchor. To achieve the “one stop” vision, it is likely that all entrepreneurial activities should be centralized in one location across Hernando County, rather than distributed across multiple sites, such as [SMARTStartPasco](#).

### **Phased Facility Size:**

The County should target a facility that scales to approximately 20,000 square feet over time, but launch with a smaller, flexible footprint suitable for phased expansion. Prioritize flexible design (common areas, dry labs/production spaces, offices, and shared meeting rooms) to accommodate fluctuating demand and varied business types. Identify an existing synergistic anchor company or recruit one or more to occupy up to **25%** of the gross leasable space<sup>8</sup> (ranging from 10% to 25%).

### **Success Factors and KPIs**

Stakeholders from both the public and private sectors emphasize that the incubator’s success must be measured by transparent, operational, and long-term outcomes - not just early ribbon-cuttings or surface-level metrics. The following KPIs are critical for any viable, mixed-use incubation model in Hernando County:

- **Business Graduations and Retention Rate(s):** Track the number of companies successfully graduating from the incubator and remaining in the county, with quarterly follow-up to measure local impact and prevent “leakage” of high-potential ventures.
- **Quality Job Creation and Wage Growth:** Measure both the quantity and quality of jobs generated, using competitive wage and benefits benchmarks, for each business assisted, with a focus on creating sustainable, career-track employment that aligns with sector priorities (knowledge workers, tech, professional services, and manufacturing).

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<sup>8</sup> **Key characteristics and contributions of a synergistic anchor tenant in this context might include one or more of the following** (the more activities below than an anchor can provide or engage in the more attractive the potential anchor):

- ♦ **Support services:** Anchor tenants provide valuable services, often free or at a reduced rate, to smaller, early-stage businesses. For example, a successful law or accounting firm could serve as an anchor tenant and provide their expertise to the startups in the incubator.
- ♦ **Mentorship and guidance:** They often offer mentorship, assist other companies with recruitment and development, and provide relevant workshops to help grow the incubator's businesses.
- ♦ **Credibility:** The presence of a reputable, established business can lend credibility to the incubator and other tenants, helping to attract more investment and talent.
- ♦ **Ecosystem enhancement:** By integrating into the incubator's ecosystem, the anchor tenant helps build a stronger, more supportive community for all the resident startups.
- ♦ **Recruiting and development:** Anchor tenants are expected to help with the recruitment and growth of new businesses, which can sometimes be spin-offs of their own activities.

- **Facility Utilization and Occupancy:** Maintain an active occupancy rate of 80% or higher as a minimum operational standard. KPIs should include utilization rates for various product types (e.g., dry labs, office, warehouse) and event/training spaces to ensure the incubator remains vibrant and financially sustainable.
- **Collaborative and Educational Partnerships:** Count joint programs delivered through colleges, technical schools, and service providers. Track cross-sector mentorship engagement, industry-specific trainings, and the number of collaborative projects launched under the incubator's umbrella.
- **Public Awareness and Community Engagement:** Regularly survey public awareness of the incubator<sup>9</sup>. Benchmark the number of outreach events, earned media hits, referral channels used, and track “pride of place” through testimonials and repeat partnership commitments.
- **Ongoing Storytelling with Measurable Outcomes:** Beyond ribbon cuttings, continuously capture and publicize founder journeys, business growth, and real economic impact. Ensure the incubator is viewed as a source of success stories for Hernando's entrepreneurial brand, not just as a facility.

### **Critical Gaps and Recommendations**

- **Long-Term Graduate Tracking:** Many communities fail to follow up with alums after graduation, leading to overestimated success rates. Institute Best practice post-graduation check-ins for 3-5 years to ensure accountability and track the industry-defined venture survivability rate.
- **Quality Over Quantity:** Avoid focusing solely on headcount (i.e., number of businesses served); instead, track wage/salary benchmarks, business survival, and community roots as equally important success signals.
- **Diversity of Outcomes:** Ensure measurement frameworks do not favor a single industry or company type. KPIs should support both main street and high-growth firms, capturing the full range of economic impact they deliver.
- **Transparent Reporting:** Commit to public, regular reporting for all KPIs to build trust and manage expectations, especially in a community influenced by past failed attempts and skepticism about government-backed initiatives.<sup>10</sup>

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<sup>9</sup> Consider measures like Net Promoter Score (NPS) to understand how engaged/loyal the clients are and how likely key referral sources will refer. See this link for additional information: <https://www.qualtrics.com/experience-management/customer/net-promoter-score/>.

<sup>10</sup> Caution: even with stellar economic impact, you may face funder fatigue or dissatisfaction. Be sure to calibrate expectations and keep funders involved in the ongoing governance, strategic direction, and client successes. See this example of what happened in Winter Springs, FL. <https://mynews13.com/fl/orlando/news/2025/08/25/winter-springs-considers-cutting--75k-in-funding-for-ucf-business-incubator>

Hernando County Stakeholders converged around transparent, operational, and long-term outcome measures like:

- Number of local businesses graduated and retained.
- Number and quality of jobs created (with wage/salary benchmarking).
- Ongoing occupancy and active use (target 80%+).
- Collaborative programs (primarily through colleges and service providers).
- Public awareness, engagement, and stakeholder “pride of place.”
- Robust, ongoing storytelling-visible success stories, not just ribbon-cutting.

## **Significant Risks and Mitigation Needs**

Stakeholders stress that Hernando’s incubator initiative faces likely structural and reputational headwinds. Not all of these risks may materialize, but they should be considered and evaluated.

### **1. Funding Sustainability & Capital Access**

**Potential Risk:** County funding will only provide early runway; ongoing operational costs and founder capital access (especially a micro-loan fund) are significant vulnerabilities.

**Mitigation:** Pursue a diversified funding mix of grants (federal, state, EDA), private sponsorships, and earned revenue. Prioritize establishing a dedicated micro-loan or seed fund as a benchmark for the incubator pillar and report progress quarterly to keep stakeholders engaged.

### **2. Leadership Vacuum & Governance**

**Potential Risk:** There is no single, empowered champion or anchor organization leading the effort; leadership is diffuse. A risk of “bureaucratic” rather than entrepreneurial management may be a likely outcome.

**Mitigation:** Recruit (early) a “face of the incubator” or appoint a high-credibility, locally respected executive director with operational authority and accountability. Form a cross-sector advisory board, but maintain authentic leadership as streamlined and publicly visible as possible.

### **3. Previous False Starts**

**Potential Risk:** Skepticism remains after prior failed efforts (e.g., Innovation Collective). Locals are wary of “parachuting in” without meaningful buy-in or transparency.

**Mitigation:** Ensure all branding, communications, and leadership selection visibly prioritize local expertise and participation. Engage the community early and often through regular updates, feedback loops, and inclusion of trusted local partners at the decision-making table.

#### 4. Sector Overconcentration

**Potential Risk:** Overinvesting in advanced manufacturing or space/tech before verifying pipeline and community demand could result in new facilities being underutilized, which would harm occupancy and sustainability KPIs.

**Mitigation:** Implement a mixed-use model<sup>11</sup> designed for flexibility, with periodic market validation. Balance support for “main street” and high-growth companies, only scaling specialty facilities as the pipeline deepens.

#### 5. Regulatory Red Tape & Bureaucratic Delays

**Potential Risk:** Complex permitting, protracted reviews, and red tape are frequently cited as top business barriers. Regulatory obstacles have driven businesses away and delayed projects.

**Mitigation:** Establish a public-private “navigator” or a neutral, independent, confidential business resource to support tenants and fast-track issues. Establish clear timelines, maintain process transparency, and establish escalation channels with relevant county agencies to ensure effective communication and coordination.

#### 6. Risk of Underutilization and Poor Fit

**Potential Risk:** The incubator may overlook evolving founder needs<sup>12</sup> or mismatch classic “traditional” businesses with newer, innovation-driven ventures, especially if programming is set-and-forget.

**Mitigation:** Institute frequent (at least annual) needs assessments, co-designing programming and services with direct input from founders, mentors, and service providers. Maintain agility in service offerings and facility design and flexibility.

#### 7. Stakeholder Trust and Community Buy-in

**Potential Risk:** Trust can be eroded by previous failures, and skepticism of public investment is acute. Leadership turnover (both board and staff) can exacerbate the lack of continuity and lead to false starts.

**Mitigation:** Commit to radical transparency: open data dashboards on KPIs, accessible progress reports, and a culture of inclusive engagement. Design ongoing channels for stakeholders to provide input on operations and strategy.

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<sup>11</sup> A mixed-use business incubator is a facility that houses early-stage companies from more than one industry or economic sector. Instead of focusing on a specific niche like technology or manufacturing, a mixed-use incubator supports a diverse range of new businesses.

<sup>12</sup> Most highly correlated variable to incubator success is client recruitment and client selection. This must be a highly robust process to ensure excellent outcomes. Additionally, the incubator professional leading the effort is also highly correlated to the success of the business incubation program.



## 8. Data Gaps and Pipeline Uncertainty

**Potential Risk:** While "interest" is strong, actual numbers of annual startups, sector mix, and long-term demand are uncertain - especially for innovation-driven and technical companies.

**Mitigation:** Implement systematic tracking of all inquiries, program use, and business trajectories from day one. This data will inform facility scale, program investment, and sector targeting. Be sure to adopt a CRM early and begin tracking critical information.

## 9. Talent Pipeline & Cost Barriers

**Potential Risk:** Persistent challenges include recruiting and retaining talent, high occupancy and rent costs, and competition from other regions. These raise the risk of business out-migration or stagnation.

**Mitigation:** Partner closely with local colleges, workforce boards, and industry to synchronize programming and talent pipelines. Pursue creative space use and rental models to ease founder cost burdens.

Addressing these risks with deliberate, transparent, and community-grounded strategies will be critical for Hernando's business incubator to build lasting credibility, deliver equitable economic impact, and avoid repeating mistakes.

### **Economic Development Alignment:**

Stakeholder interviews and analysis of local economic priorities reveal broad and intentional convergence on the incubator as a keystone investment to advance Hernando County's financial strategy:

- **Catalyst for Economic Diversification:**

Nearly all respondents emphasize the incubator's role in diversifying the economy by supporting targeted growth sectors, such as advanced manufacturing, aviation, and healthcare, and strengthening the broader landscape of service, retail, hospitality, construction trades, and scalable main street entrepreneurship. This mixed-use approach is crucial for attracting talent, fostering local resilience, and mitigating risk from sector overdependence.

- **Workforce and Talent Integration:**

City, county, and ED stakeholders all view the incubator as strategically vital for developing local human capital, as it links education (primarily technical colleges and workforce agencies) with real employers and training for high-wage, career-track positions. *Multiple interviewees emphasize the importance of pipelines that seamlessly transition from classroom and upskilling programs to startup and scale-up employers, thereby positioning the incubator as a practical bridge.*

- **Partnership-Based, Scalable Model:**

There is a strong consensus to avoid premature sector specialization. Instead, the incubator must launch as a flexible, scalable hub that adapts to evolving industry needs, partnering with schools, workforce boards, major employers, and local institutions to deliver tailored programming and collaborative workforce initiatives. *Stakeholders urge leaders to leverage Hernando’s breadth of industry while piloting specialty labs or tracks only as actual demand for these specialized facilities or equipment emerges.*

- **Strategic Place-Making for Maximum Impact**

Most interviewees recommend anchoring the incubator near major employers, technical colleges, the career center, and the Brooksville Airport/Tech Center corridor. The need for connectivity drives this consensus *on location, encompassing talent sources, infrastructure, expansion land, and business networks*, ensuring the incubator operates not as an isolated facility but as a visible and accessible ecosystem hub.

- **Core to Economic Development Mission:**

Economic development leaders and policymakers consistently describe the incubator as a high-impact, core infrastructure investment—integral for enhancing local business formation, increasing workforce participation, and catalyzing durable economic growth. *Modeling the incubator as a public-private partnership, with embedded stakeholder buy-in and workforce alignment, is widely seen as a best practice for delivering measurable returns to the region.* The sponsoring organization for the incubator must be clearly defined, and the type of sponsoring entity must be determined.

*This strong alignment around a mixed-use, partnership-driven incubator addresses not only economic development objectives, but also Hernando’s unique mix of market-ready founders, evolving industry needs, and imperative for locally anchored, responsive growth.*

## **Section 3: Online Community Interest Survey Results & Gap Analysis**

The Hernando County, FL, Entrepreneurial Ecosystem Survey identifies **five major themes** relevant to incubator feasibility and support trends, providing actionable insights for the program sponsor(s). Key matrix details for feasibility assessment are provided, along with identified risks and red flags, all based on the attached survey data, the primary stakeholder interviews, and the summary in [Appendix 1](#).

### **Five Major Themes and Why They Matter**

#### **Strong Demand for Incubation Services**

- The survey reveals overwhelming enthusiasm for a business incubation program, with 74% viewing it as "to a great extent" and over 70% expecting it to fuel diversification, job growth, and economic vitality. This rationale is wholly aligned with embarking on a business incubation program.
- Most respondents prefer physical or blended in-person/virtual programs, confirming that the community will value and actively utilize a well-supported, tangible resource.

#### **Insufficient and Fragmented Local Support**

- Nearly half (49%) of respondents describe themselves as only "somewhat familiar" with current business support assets, with many citing fragmented access and a lack of coordinated assistance, particularly in areas such as funding, coaching, and mentorship.
- The need for a centralized, visible entrepreneurial support hub is clear, as users regularly seek guidance outside the county or from overlapping, siloed resources.

#### **Funding and Talent Acquisition as Top Challenges**

- Securing startup capital is the single greatest challenge, cited by 49% as their primary worry, followed by hiring issues and lack of affordable workspace.
- Most would rely on personal savings, banks, or the SBA, revealing a weak local venture and angel investment environment—a gap that an incubator can help address, but only with intentional partnership, outreach, and financial literacy and capital access programming.

#### **Priority Industries for Growth**

- The community is signaling strong demand for new businesses in manufacturing (86%), defense/aviation/aerospace (67%), as well as other areas such as healthcare/biotech (56%), technology (67%), hospitality/tourism (47%), and, to a lesser extent, construction.

- Targeting support and recruitment in these sectors will have an outsized impact; the incubator should be structured or branded to attract and nurture startups aligned with Hernando’s economic vision and talent needs.

### **Metrics for Success and Community Impact**

- True success should be measured beyond simple counts of startups. Respondents emphasize the importance of job creation, business sustainability, total payroll, graduate retention in the county, and broader economic, wage, and tax base implications.
- Testimonials, community narratives, and revenues are emphasized as meaningful qualitative proof of value, but they must not become a vanity metrics program<sup>13</sup>.

**Table 3.1 Key Feasibility Trends Matrix**

Category	Support Needed/ Trend	Risk/ Red Flag	Feasibility Considerations
<b>Incubator Model</b>	Physical/Hybrid preferred (75% likely to use)	Some resistance to purely virtual formats	Facility location/lease, blended programming
<b>Services Needed</b>	Funding support/access to capital, coaching, marketing, networking, mentoring	Lack of local venture/angel investment/ microloan pool	Partnerships with banks, expand mentorship pool
<b>Target Industries</b>	Manufacturing, biotech, tech, defense, tourism	Risk of over-concentration; need for broad support	Focus cohort selection by industry, flexible use
<b>Ecosystem Connectivity</b>	Fragmented resources, moderate familiarity	Weak coordination between agencies, limited awareness	Centralized resource navigation, outreach needed
<b>Success Metrics</b>	Survival rate, jobs, economic impact, retention	Sole reliance on quantitative metrics may exclude soft outcomes	Develop multidimensional KPIs, track alumni graduates
<b>Critical Challenges</b>	Funding, talent, affordable space	Permitting delays (“6 months to 1 year too long”)	Work with local/state to streamline permitting
<b>Stakeholder Buy-in</b>	High support from survey, some skepticism due to past failures	“Nothing ever materialized” from past attempts	Clear governance, accountability, phased rollout

<sup>13</sup> See definition, examples, and questions to ask about vanity metrics here: <https://www.tableau.com/learn/articles/vanity-metrics>

### Supporting Insights

- The community seeks an incubator to serve as a connector for mentorship, funding, and business skill development.
- Support for the concept is high, but the execution risk is substantial, given historical failures to materialize programs, permitting delays, and siloed support.
- Affordability and talent are vital; the local cost of living and the attraction of a skilled workforce are top concerns for future tenants.
- Metrics should prioritize survival, job creation, wages, retention, and industry relevance. Both quantitative and qualitative success stories are valued.

### Risks and Red Flags

- Fragmented ecosystem and lack of coordination across existing resource providers.
- Permitting and regulatory delays can be potential barriers to new business formation ("6 months to 1 year is too long").
- Perceived failures of previous efforts ("nothing ever materialized" despite past planning) raise concerns over sustained commitment and management.
- Funding gap: Angel/VC capital is limited; founders primarily rely on personal and family savings, which may restrict growth and innovation.
- Some respondents question the sufficiency of just one model and recommend flexible, industry-focused incubation with partnership strategies.

### Representative Comments Regarding Incubator Timing

- Multiple respondents highlight the need for an incubator due to local business growth demands, population increases, and perceived gaps in support infrastructure.
- Comments such as *“the community will need more amenities and local job opportunities to support new and existing residents”* and “one of the most discouraging parts of starting a business is simply not knowing where to begin” indicate immediate need and readiness.
- However, there’s some cautious sentiment about executing at the right time, referencing past failed attempts (*“...nothing ever materialized” despite prior planning*), suggesting that while the timing is ripe, success depends on practical commitment and resource alignment.

### Representative Comments on Sponsorship

- Prior history of place-making references previous planning efforts led by local government and Chamber officials, and calls for "fully utilizing Career Source, SBA, and PHCS before we have another program," which implies that sponsorship would benefit from broad-based, multi-sector engagement rather than a solo entity.
- Chamber of Commerce, Office of Economic Development, and other resource organizations (SBDC, SCORE, universities) are frequently named as centers of ecosystem activity, hinting that these are most likely to participate as sponsors or conveners.

- Comments on leadership (*“bring in experienced business leaders to speak”*) further suggest a strong expectation of community and sector leadership buy-in, rather than passive sponsorship.

### **Representative Comments on Funding Sources**

- When directly asked about funding a startup, respondents overwhelmingly indicated reliance on personal savings, community banks/credit unions, national banks, and the SBA; angel investors and crowdfunding are named far less frequently, highlighting that entrepreneurial funding in Hernando currently tilts toward traditional and self-funding channels, which can stifle and inhibit company/venture growth. The lack of substantial venture/angel infrastructure signals these sources would not be primary sources for prospective client funding.
- There is some expectation that the public sector, local business stakeholders, and regional/state grants would form the primary capital base.
- Respondents did not list clear preferences for private sector or foundation sponsorship for the incubator itself. Still, historic references to Chamber, county, and state government involvement imply expectations of public support.

### **Other Mixed Opinions on the Business Case for an Incubator & Funding the Effort**

- Most see it as **“very much worth the effort”** and believe it will **“greatly increase the community growth.”** The timing is favorable if execution can improve over past attempts.
- **“Nothing ever materialized.”** Previously, success hinged on commitment, resource alignment, and clear, accountable leadership, not just desire.
- Sentiments suggest that sponsorship should involve the government, the Chamber, local business leaders, and educational partners, with funding likely to be a mix of county economic development, Chamber support, SBA/grant support, and business input.

In summary, responses indicate that the timing for an incubator is urgent, with sponsorship and funding most likely expected from public-private partnerships led by the county government, Chamber, economic development agencies, and possibly local banks or Federal grants. Success will depend on overcoming historic execution issues, building sustained leadership, and investing in **long-term impact and outcomes (often 20+ years in the future)**.

***Business incubation is a long-term investment in economic diversification, building the hometown team, and growing your own. It takes decades of patient investment and community support.***

## **Comparison of Stakeholder Interviews with Community Interest Survey Results**

The following comparative matrices were developed to consistently evaluate the alignment between the data sources available for Hernando County's proposed business incubator: the community-wide Entrepreneurial Ecosystem Survey and the in-depth Stakeholder Interview Report. By systematically analyzing both datasets, these matrices provide a clear, evidence-based understanding of the opportunities, expectations, risks, and readiness factors facing a mixed-use business incubation program in the county.

The dual matrices below, on alignment and delivery approach, provide decision-makers with insight into the *demand (what the community and partners want and need)* and the *delivery (what must be put in place for the incubator to achieve sustainable success)*. It simultaneously highlights alignment and unresolved issues - each must be addressed proactively for the business incubator to advance beyond aspiration to operational reality.

[Table 3.2 below](#) summarizes areas where powerful alignment exists between community sentiment and stakeholder leadership, mapping specific categories to detailed survey findings, interview quotations, and consultant observations.

**Table 3.2: Strong Alignment-Survey Results vs. Stakeholder Interviews**

<b>Category</b>	<b>Survey Results</b>	<b>Interview Notes &amp; Quotes</b>	<b>Consultant Observations</b>
<b>Demand for Incubator</b>	74%: Incubator needed to “great extent”; 75% likely usage	<i>“Broad consensus for an incubator as a ‘one-stop shop’...”</i>	Strong likely local demand with actionable interest
<b>Model Preference</b>	Strong for physical/hybrid; services not just virtual	<i>“One-stop shop”; hands-on, centralized hub preferred</i>	Local credibility/visibility critical for success
<b>Funding &amp; Capital Access</b>	49% cite funding as biggest pain (“secured funding #1”)	<i>“Funding is the single largest technical barrier...”</i>	Funding gaps central - county funds not enough
<b>Fragmented Support Ecosystem</b>	Only 49% “somewhat familiar” w/ resources, many silos	<i>“Everyone bounces between Chamber, SBDC, SCORE, bankers”</i>	Siloed navigation hinders founders/community
<b>Mentoring/ Coaching Needs</b>	Business coaching, mentoring: rated most important	<i>“Structured mentoring ... must be stronger, consistent”</i>	Incubator must center hands-on guidance on value-added support. Technical assistance is the most expensive component of a high-quality incubation program.
<b>Industry Mix</b>	86%: Advanced manufacturing, 67% defense/aviation + strong main street	<i>“Mixed-use, don’t narrow to one sector ... balance focus”</i>	Diversity vital; avoid over-specialization risks



Category	Survey Results	Interview Notes & Quotes	Consultant Observations
<b>Location Consensus</b>	No specific survey question, but need for accessibility	<i>“Preferred location near Airport Park ... technical college”</i>	Airport highly desired and preferred; but downside is no known anchor client or funding source
<b>Success Metrics</b>	Job creation, business grad/retention, wage, impact, stories	<i>“Graduates, awareness, collaborations, new business creation”</i>	KPIs: measurable graduations, jobs, retention, community pride
<b>Risks &amp; Barriers</b>	Strong history of failed efforts raised as skepticism	<i>“Risks ... funding, sustainability, leadership ...”</i>	Must directly address funding, credibility, execution

[Table 3.3 below](#) dives deeper, using these sources to distill the most critical success factors for a mixed-use incubator, cite the most substantial evidence, surface any remaining gaps, and assign a priority level based on each factor's potential impact on program viability or risk.

**Table 3.3: Mixed-Use Incubator Success Factors, Evidence, Gaps, Priority**

Success Factor	Survey Evidence	Interview Evidence <sup>14</sup>	Existing Gap(s)	Priority Weight
<b>Diverse Industry Mix</b>	Most rank manufacturing, tech, health, service, trades as needed	<i>“Mixed-use ... do not limit to single sector ... balanced approach”</i>	Risk of sector overconcentration or underutilization	<b>High</b>
<b>Physical/Hybrid Facility</b>	75% prefer physical/hybrid model, not virtual only	<i>“Central hub ... accessible, visible, not fragmented”</i>	No location secured; potential for distributed/siloed approach	<b>High</b>
<b>Central Navigation/Entry</b>	49% only “somewhat familiar” with resources	<i>“Maze ... no clear entry ... need for single point intake”</i>	Absent lead navigator, resource map	<b>High</b>
<b>Selected Funding Access</b>	49% cite funding as #1 worry; few rely on angels/VC	<i>“No local angel investment ... need Pasco-style microloan”</i>	No microloan fund, weak investor base	<b>High</b>
<b>Mentorship &amp; Coaching</b>	Mentorship & coaching top priorities in survey	<i>“Mentoring ... must be consistent, qualified, local”</i>	Reliance on informal networks, not formalized	<b>Medium-High</b>
<b>Workforce Alignment</b>	Talent/hiring is one of top challenges	<i>“Offerings miss the mark ... pipeline not aligned ...”</i>	Disconnect between education/workforce needs	<b>High</b>

<sup>14</sup> Selected abstracts of specific interview quotes from stakeholders.

Success Factor	Survey Evidence	Interview Evidence <sup>14</sup>	Existing Gap(s)	Priority Weight
<b>Flexible Space/ Size</b>	Not directly surveyed, implied via need for affordability and adaptability	<i>“Pilot w/ temporary space, scale to 20,000 SF, flexible design”</i>	Phased space, design for multiple business types	<b>Medium</b>
<b>Partnership Engagement</b>	Chamber, SBDC, colleges cited as used; but fragmented	<i>“Partnerships: colleges, mentors, businesses, public/private”</i>	Coordination and co-delivery not yet systematized	<b>Medium-High</b>
<b>Clear KPIs &amp; Tracking</b>	Survey: retention, grad rates, jobs, stories, wage	<i>“Transparent, operational, long-term outcomes, track years after”</i>	Must not just have vanity metrics; data collection starts day 1. Need to calibrate reasonable stakeholder expectations.	<b>High</b>
<b>Local Leadership/ Champion</b>	Locals distrust of efforts that are not grass-roots and community grounded	<i>“Community buy-in; must be local, trusted, face of project”</i>	No champion in place, diffuse leadership	<b>High</b>
<b>Trust &amp; Engagement</b>	Legacy of failed efforts cited	<i>“Perceived value ... credibility, clear comms, visible ownership”</i>	Community & funder skepticism	<b>High</b>
<b>Affordable Space Options</b>	Affordable locations = top challenge	<i>“Accessible, affordable space, incrementally expanded”</i>	High rent/cost barrier for startups	<b>Medium-High</b>

#### Notes on Priority Weighting:

- **High Priority:** Directly tied to program legitimacy, ability to launch, or severe risks of failure.
- **Medium-High:** Significant operational risk, but can be incrementally improved or sustained in the short term; and
- **Medium:** Important for long-term viability, not immediate existential threats.

## **Overall Assessment of Surveys/Interviews**

The comparative analysis in [Appendix 4](#) reveals a strong alignment between public survey responses and private stakeholder interviews regarding the fundamental need, potential structure, and anticipated value of a mixed-use incubator in Hernando County. Both sources affirm overwhelming local support for a physical or blended one-stop-shop model that is *locally led, visible, and anchored by responsive programming, mentorship, and navigation through the region's current maze of fragmented resources.*

At the same time, both the survey and interviews raise “red flag” issues that must be resolved to translate enthusiasm into sustainable outcomes: (1) persistent capital access and operational funding gaps, (2) lack of a clear local champion or engaged anchor entity or entities, and (3) the risk that support services and space will not match the real-time needs of Hernando’s diverse founder base. **Both community and leadership strongly prioritize microloan programs, structured mentorship, and ongoing community engagement. Still, they lack formal structure or guaranteed resources and are therefore classified as urgent priorities for pre-launch action.**

Ultimately, the matrix-driven review referenced above underscores that the feasibility of a mixed-use business incubator in Hernando County is well-supported by community and institutional stakeholders, with significant but surmountable gaps that must be actively addressed.

***Success will depend on leveraging the firm foundation of broad-based buy-in with disciplined, locally rooted execution: securing diversified funding, appointing credible leadership, orchestrating cross-sector partnerships, and building transparent outcome-tracking into the incubator’s DNA from day one. Hernando County can realistically advance toward a thriving, flexible, and impactful business incubation ecosystem by confronting these highest-priority gaps and capitalizing on community consensus.***

## Section 4: Site Selection

### Client-Identified Site Selection Locations<sup>15</sup>

A physical incubation hub, such as an Entrepreneur Assistance Center (EAC), is recommended to advance Hernando County's entrepreneurial ecosystem. Five client-pre-selected priority sites were evaluated based on readiness, cost, visibility, strategic fit, and alignment with community goals. This report details each option, summarizes strengths and weaknesses, and provides a preferred recommendation. **The scope included three sites, but five were considered.**

**Table 4.1 Sites Reviewed for Incubator**

Site #	Address / Name	Type	Est. Size	Visit Status	Status
1	BKV Tech Center	Vacant land	TBD	Drove by	County-owned
2	1 E Jefferson St (Truist Bank)	Downtown Office	~6,000–8,000 sf	Visited	Vacant
3	100 N Brooksville Ave (Easy Street Decor)	Historic Office	12,317 sq ft	Visited	Vacant
4	Sonlight Plaza, 9254 Cortez Blvd	Flex/Retail	~12,000 sq ft	Visited	Mixed use

### Site Selection Initial Assessment

The matrix below provides a side-by-side evaluation of five candidate sites for Hernando County's Entrepreneur Assistance Center. It details their type, size, costs, significant advantages, notable drawbacks, and strategic fit for an incubator program. It is designed to help decision-makers compare the strengths, limitations, and suitability of sites for different entrepreneurial needs.<sup>[1]</sup>

### Key Insights

- **County-owned land near the airport (Site 1)** offers strong long-term potential as a custom-built innovation or manufacturing center, with no land acquisition cost and ample infrastructure. Still, it requires substantial time and capital to develop from scratch.
- **The Truist Bank Building (Site 2)** offers a central downtown location with professional office amenities and existing furnishings, well-positioned for administrative or professional incubator operations. However, limitations include a dated layout and restricted parking/access.
- **Easy Street Decor Building (Site 3)** is a multi-story historic structure with excellent street visibility and character, suited to become a centerpiece civic hub if fully renovated. However, high costs and severe structural issues present barriers to activation.

<sup>15</sup> While these are the current space locations that were identified by County Economic Development as the most attractive, it may make sense to continue to monitor other suitable county location options for the proposed incubator.

- **Sonlight Plaza (Site 4)** offers flexible unit sizes, high highway visibility, and ample parking, making it a practical option for a trade-focused incubator or phased program expansion. However, it requires significant cleanup and lacks civic branding compared to downtown options.

These findings support a phased approach, prioritizing sites that are ready for immediate or incremental use, while considering long-term development potential and cost-benefit realities.

**Table 4.2 Site Characteristics**

	<b>BKV Tech Center</b>	<b>1 E Jefferson St (Truist Bank)</b>	<b>100 N Brooksville Ave (Easy Street Decor)</b>	<b>Sonlight Plaza, 9254 Cortez Blvd</b>
<b>Type</b>	Vacant county owned land near airport	Professional office floor in historic downtown building	Multi-story historic structure behind strip center	Flex strip and warehouse center
<b>Facility Size</b>	TBD	6,000-8,000 sq ft	12,317 sq ft	Unit 1: 3,000 sq t Unit 2: 1,500 sq ft Warehouse: 7,500 sq ft (requires gutting) Total: 12,000 sq ft
<b>Pros</b>	No land acquisition cost (publicly owned)  Water/sewer already in place  Good ingress/egress,  Ample parking  Can design a custom facility (tailored to incubator needs)	Downtown visibility and prestige  Numerous private offices, two break rooms, boardroom (~500 sf), and small conference rooms  Existing decent-quality furniture and finishes	Located across from courthouse  Street-facing visibility  Possesses character and centrality	Fronts busy Hwy 50 (high visibility)  Adequate parking (front and rear)  Existing long-term tenant (Karate dojo)  Flexible unit sizes allow phased expansion
<b>Cons</b>	Must charge market rate for lease (possibly a county requirement)  3-story height limit	Vacant 10 years  Interior layout feels “choppy” (hotel-style doors)  Parking limited and off-site  Access limited to 2nd floor	Entire building must be gutted  3rd floor decayed, ground floor unusable  Low ceilings (7'-8') may limit build-out flexibility	Requires cleanup and remodeling (esp. warehouse)  Pricing may be premium due to traffic count  Less civic branding value than downtown Brooksville

	<b>BKV Tech Center</b>	<b>1 E Jefferson St (Truist Bank)</b>	<b>100 N Brooksville Ave (Easy Street Decor)</b>	<b>Sonlight Plaza, 9254 Cortez Blvd</b>
			Uncertain renovation timeline and cost	
<b>Strategic Fit</b>	Best for long-term development of a purpose-built innovation or manufacturing center	Suitable for administrative or professional services incubator with modest capital needs.	Potential centerpiece facility if fully restored-but high capital/time cost barrier.	Strong candidate for maker/incubator hybrid or blue-collar/tech-trade startup focus.

### Strategic Fit & Attractiveness Matrix

#### Key to the Strategic Fit Matrix

<b>Symbol</b>	<b>Meaning</b>
✓	Strong positive (criterion is fully met or a distinct advantage)
✓✓	Very strong positive (exceptionally well met)
✓✓✓	Maximum positive (criterion is a core strength or defining feature)
⚠	Partial or conditional fit (criterion is somewhat met; there are caveats)
✗	Not met or a clear disadvantage

#### Matrix Criteria Explained

<b>Criteria</b>	<b>Definition/Benchmark</b>
<b>Public Ownership</b>	Indicates whether the property is owned by the county/public entity, facilitating easier acquisition and control.
<b>Move-in Ready</b>	Facility requires minimal renovation and can be operationalized quickly.
<b>Renovation Required</b>	Level of work needed to make the space usable-more symbols indicate higher renovation requirements.
<b>Potential for Custom Incubator</b>	Ease with which the property can be adapted or fully customized for a business incubator.
<b>Parking Availability</b>	Quality and abundance of parking to support tenants, clients, and visitors. Incubator Goal is 3 per 1,000 gross sq ft. of facility.

Criteria	Definition/Benchmark
<b>Cost Management</b>	Feasibility of acquisition and operational costs; capacity to manage project budget and expenditures.
<b>Ideal Use Case</b>	Summary of the site's most appropriate and strategic use, based on its characteristics and location.

**Table 4.3 Site Locations Assessment Against “Fit” Criteria**

Criteria	Site 1 Airport	Site 2 Broad Street	Site 3 Truist	Site 4 Easy Street	Site 5 Sonlight
<b>Public Ownership</b>	✓	✗	✗	✗	✗
<b>Move-in Ready</b>	✗	✗	⚠ Partial	✗	⚠ Partial
<b>Renovation Required</b>	✓✓✓	✓✓✓	✓	✓✓✓	✓✓
<b>Potential for Custom Incubator</b>	✓✓✓	✓	⚠ Moderate	✓✓	✓✓
<b>Walkability / Civic Visibility</b>	✓✓	✗	✓✓	✓✓	✗
<b>Parking Availability</b>	✓✓	⚠ Limited	⚠ Unclear	⚠ Limited	✓✓
<b>Cost Management</b>	✓ (owned land)	✓ (low price)	✓ (furnished)	✗ (unknown)	⚠ (remodel cost)
<b>Ideal Use Case</b>	Long-term build	Admin back-office	Prof. incubator	Civic hub	Light industrial



## Recommendations Depending on Strategic Position:

**Table 4.4 Incubator Site Recommendations Evaluation**

Site #	Address / Name	Type	Est. Size	Visit Status
4	<b>Sonlight Plaza (Spring Hill)</b>	Ready for light trades, maker community, blue-collar entrepreneurial training	Top Short-Term Option (next 24 months)	Moderate renovation required; premium pricing
2	<b>1 E Jefferson St (Truist Bank, DT)</b>	Downtown location ideal for office-based, service-oriented startups	viable Short-Term Option (next 24 months)	Limited parking and access; partial move-in ready
1	<b>BKV – Tech Center (Airport)</b>	Strong public sector candidate for future development (tech park, biotech hub)	Long-Term Opportunity	Requires construction; delayed time-to-market; would be built on site with WSTC( part of larger Dennis Wilfong Center) and future PHSC facility.
3	<b>100 N Brooksville Ave (Historic)</b>	Strong historic identity, excellent downtown presence-but costly renovation	Potential Restoration Project	Significant upfront capital and timing required

### Key Insights

- **Sonlight Plaza (Site 4)** is well-suited for immediate activation, as it supports maker, trades, and tech/trade startups due to its size and flexible layout. It offers a practical entry point but may require premium pricing for renovation and fit-out.
- **1 E Jefferson St (Site 2)** is best utilized for downtown office and service startups, providing professional visibility; however, access and parking limitations should be addressed for successful occupancy.
- **BKV Tech Center (Site 1)** stands out as a future-facing option, suitable for custom builds such as tech parks or biotech hubs, leveraging public ownership and infrastructure. The significant drawbacks are the longer development timeline and the high construction costs associated with use.
- **100 N. Brooksville Avenue (Site 3)** has strong potential for restoration due to its historic character and centrality, but it incurs high costs and could delay its opening. Advance capital planning is necessary to mitigate risk and ensure timely refurbishment.

A tiered approach (for short-term moving forward and long-term permanent home) enables Hernando County to address immediate incubator needs while preparing for long-term expansion and strategic investments in physical and community infrastructure.

## **Recommended Sites – Ranked by Feasibility and Strategic Impact**

**Table 4.5** summarizes the ranked site selection recommendations for the proposed Hernando County Business Incubator based on a comprehensive analysis of infrastructure readiness, cost, alignment with targeted industries, community input, and feasibility scoring frameworks. Site scoring was based on the following weighted criteria:

**Table 4.5 Site Selection Evaluation Framework**

<b>Criteria</b>	<b>Weighting</b>	<b>Evaluation Basis</b>	<b>Rationale</b>	<b>SBA Evaluation Source(s)</b>
<b>Readiness</b>	<b>20%</b>	Assessed on timeline to operational launch; considers existing infrastructure, renovation needs, permitting status.	Sites with quicker launch timelines score higher due to ability to deliver immediate impact and reduce opportunity cost.	Facility walk-throughs, interviews, survey responses
<b>Cost</b>	<b>20%</b>	Evaluated on total acquisition, renovation, operational cost, and revenue potential.	Lower cost and sustainable finances ensure the incubator remains viable and attractive for tenants and investors.	Pro-forma analysis, similar benchmarked programs and facility sizes
<b>Visibility</b>	<b>15%</b>	Judged by location prominence, civic identity, and branding opportunities.	Highly visible sites boost incubator brand, attract founders, and signal community investment in entrepreneurship.	Site visit, stakeholder input, location attractiveness analysis
<b>Strategic Fit</b>	<b>25%</b>	Compares site design and amenities versus priority sector requirements: advanced manufacturing, tech, biotech.	Sites enabling sector-focused programming and infrastructure strongly support long-term economic development goals.	Sector analysis, facility specs, interviews, survey data
<b>Community Fit</b>	<b>20%</b>	Measured by alignment with community input from surveys and interviews, proximity to partners, and flexibility.	Sites meeting local needs and offering partnership opportunities will drive higher usage and long-term success.	Stakeholder interviews, survey thematic analysis, alignment with E.D. goals

## **Top Targeted Industries Identified in the Survey**

The top targeted industries in **Table 4.6** were identified through the Hernando County site selection survey, including **advanced manufacturing, technology, biotech healthcare, logistics**, and hospitality. These industries reflect the priorities expressed by local stakeholders and consistent findings from in-depth interviews and economic research. These industries surfaced as essential to the region’s growth and diversification, with survey respondents and interviewees repeatedly emphasizing their role in job creation, financial resilience, and talent retention. Analysis in the accompanying feasibility report further supports the selection, noting a broad consensus among community leaders, business owners, and

workforce partners that a successful incubator must serve a diverse mix of sectors—especially those poised for high impact—while remaining responsive to Hernando County’s evolving founder pipeline and local workforce strengths. From Q14 of the **Community Survey**, the top industries needed in Hernando County over the next 5 years are:

**Table 4.6 Q14 Survey Identified Key Industries**

Industry Segment	% of Respondents Who Selected
Manufacturing / Advanced Manufacturing / Logistics	<b>86.11%</b>
Technology (apps, e-commerce, software dev)	<b>66.67%</b>
Health care / Biotech / Life Sciences	55.56%
Hospitality and Tourism	47.22%

### **Strategic Fit Score by Industry Sector(s) Alignment**

The Strategic Fit Score by Industry Sector(s) Alignment [table in 4.7](#) below objectively evaluates how well each proposed site aligns with the top priority industries identified for Hernando County’s business incubator. Using a weighted scoring approach, this analysis measures each site’s capacity to support core sectors, including advanced manufacturing, technology, biotech/healthcare, logistics, and service-based industries, as determined by survey data, interviews, and broader economic trends. The results illustrate the compatibility between specific site characteristics and the region’s strategic industry targets, providing an evidence-based framework for guiding facility investments and ensuring that site selection advances and integrates with long-term economic development goals.

**Table 4.7 Strategic Fit Evaluation By Location<sup>16</sup>**

Site #	Site Name	Strategic Fit Rationale	Updated Strategic Fit Score
1	BKV Tech Center (Vacant Land)	Ideal for custom-built manufacturing/logistics center near airport	5
2	Truist Bank (1 E Jefferson)	Suitable for tech, services, and business support; limited for manufacturing	3.5
3	Easy Street Decor	More suited for retail/services, limited tech or industrial infrastructure	3
4	Sonlight Plaza	Flexibility to accommodate light manufacturing, trades, or digital ventures	4.5

<sup>16</sup> While site #2 is no longer available at the time of the final report, it was considered during the site evaluation process.

### **Weighted Matrix (with Updated Strategic Fit)**

The Weighted Matrix (with Updated Strategic Fit) section ([Table 4.8 below](#)) provides a clear, quantitative comparison of each candidate site based on key selection criteria and recent strategic fit scores. By applying specific weights to factors such as readiness, cost, visibility, industry alignment, and community fit, this matrix delivers an objective summary of each site's overall suitability for incubator development. The scores help guide decision-makers toward locations that best support Hernando County's entrepreneurship and targeted industry priorities, ensuring an efficient and transparent evaluation process.

**Table 4.8 Weighted Matrix Assessment by Location**

Site #	Name	Readiness	Cost	Visibility	Strategic Fit	Community Fit	Weighted Score
1	BKV – Tech Center	1	4	4	5	3	3.45
2	Truist Bank	4	4	4	3.5	5	4.08
3	Easy Street Decor	2	2	5	3	4	3.1
4	Sonlight Plaza	5	5	4	4.5	3	4.33

### **Hernando County Incubator: Site Selection Recommendations**

**The Hernando County Incubator: Site Selection Recommendations** distill extensive survey data, stakeholder interviews, and economic research into a clear ranking of candidate sites, directly linking physical location choices to the county's targeted industry priorities and ecosystem needs.

**Each recommended site - Sonlight Plaza (Spring Hill), Truist Bank Building (Brooksville), and Helicopter Drive -** was evaluated for its capacity to support advanced manufacturing, technology, trades, biotech, and entrepreneurial services, in alignment with both community-identified priorities and local economic strategy.

These recommendations reflect consistent themes from survey responses and interviews: **the need for ready-to-use space, flexibility for sector-specific programming, cost efficiency, and proximity to workforce and educational assets, all designed to maximize impact for Hernando County's entrepreneurs and targeted growth industries.**

## **Priority Site Selection Recommendations**

**Table 4.9 Priority Rankings**

<b>Rank</b>	<b>Site Name</b>	<b>Address / Description</b>	<b>Strategic Justification</b>
<b>1<sup>st</sup> Choice</b>	<b>Sonlight Plaza</b>	9254 Cortez Blvd, Spring Hill	Highest total weighted score (4.33), ready-to-use, flexible for light manufacturing and trades, aligns with top community-identified industries, strong cost efficiency, and short time-to-market for programming.
<b>2<sup>nd</sup> Choice</b>	<b>Truist Bank Building</b>	1 E Jefferson St, Brooksville	Civic presence and walkability downtown, ideal for office, tech, and entrepreneurship support services; strong community buy-in; good long-term visibility. Downtown frontage and recognizable branding.
<b>3<sup>rd</sup> Choice</b>	<b>Vacant Land</b>	BKV Tech Center (Vacant Land)	Best long-term growth and infrastructure alignment for aviation, manufacturing, or logistics clusters. However, low readiness score and delayed activation timeline. It is a greenfield site - not ready to serve entrepreneurs soon.

## **Mixed-Use Business Incubator Viability Matrix**

The table below outlines the essential criteria and requirements for a successful 15,000 – 20,000 sq. ft. mixed-use business incubator in Hernando County, followed by a clear assessment of the key activities.

The essential criteria outlined in the Mixed-Use Business Incubator Viability Matrix directly respond to Hernando County’s economic needs and industry priorities identified in local surveys, stakeholder interviews, and strategic research. Flexible space allocation is designed to accommodate the county’s diverse mix of target sectors, including advanced manufacturing, health, technology, retail, and trades. Robust partnerships and a sustainable operating model leverage the engagement of key partners, such as PHSC, SBDC, SCORE, and local banks.

The matrix’s focus on sector-targeted programming and clear success metrics reflects widespread community input and best practices in economic development, ensuring the incubator effectively launches, supports, and retains high-impact ventures aligned with local growth objectives.

**Table 4.10 Incubator-Specific Success Criteria**

Criteria	Requirements for Success	Key Activities
<b>Right Sized Space Allocation</b>	Flexible use of space for diverse needs; avoid over-allocation to office/desks	Workshops/classrooms, meeting rooms, coworking/open desks, private offices, maker/industrial zones
<b>Multi-Stakeholder Partnership</b>	Active engagement from county, education, business support groups, and financial partners	County support, anchor partners (PHSC, SBDC, SCORE), Chamber/ED/bank engagement, leverage outside funds
<b>Sustainable Operating Model</b>	Diversified income streams and robust staffing with key leadership roles	Tenant rent, program fees, memberships, grants, sponsorships, program director, community manager
<b>Targeted Industry Focus</b>	Select a few priority sectors and founder profiles; organize incubator programs around clear themes	2–3 target sectors (e.g., health, services, logistics), solo and micro founders, cohorts, thematic incubation
<b>Clear Success Metrics</b>	Track and report outcomes that show impact, relevance, and local benefit	Businesses launched, business survival, jobs created and retention of companies in county

### **Matrix Highlights**

- **A flexible layout** is crucial: successful centers effectively blend classrooms, meeting spaces, coworking areas, private offices, and optional industrial/maker zones.
- **Partnerships anchor the model, with** public-private collaboration, local workforce, business, and financial institutions fueling programming and investment.
- **Revenue streams must be diverse, relying** on a blend of tenant rents, program fees, memberships, grants, and sponsorships, not just facility rentals.
- **Industry and founder targeting ensures relevance:** selecting priority sectors and founder types enables streamlined, high-impact support.
- **Success is measured by real impact:** focus on new firms, business survival rates, job creation, and keeping companies local.

## **Facility Design/Footprint Benchmarks**

A well-designed mixed-use incubator facility fundamentally differs from a traditional commercial building; it must embody adaptability, modularity, and tenant-centric flexibility at every level. Rather than prioritizing fixed space allocations and rigid infrastructure, the approach for Hernando County embraces reconfigurable layouts, phased construction, and readiness for dynamic client changeovers, allowing the facility to evolve as entrepreneurial teams mature or new industries emerge.

**Table 4.11 Success Criteria Guidance for Facility Design & Layout<sup>17</sup>**

Criteria	Target Range	Comments
<b>Facility Size</b>	15-20,000 (permanent) Gross Sq ft.	Singular location (not a distributed approach/model) Can open in phases or open in temp location while facility is under construction
<b>Gross to Net leasable square footage</b>	70-80%	Shoot for high end of range given smaller facility size Single story Hard metric to hit for size of space
<b>Facility Layout</b>	Office Suites (120-500 sq ft)  Dry Labs with attached office (light manufacturing spaces)  Shipping/receiving Storage - Sufficient facilities for refuse, recycling, and logistics access for manufacturing or shipping tenants.	15 – 120 sq ft (Qty/Size) = 1,800 sq ft 10 – 500 sq ft. (Qty/Size) = 5,000 sq ft  6 – 800 sq ft (Qty/Size) = 3,800 sq ft  3– 500 sq ft. = 1,500 sq ft  Total Goal: 12,000-16,000 (excluding common areas but including anchor clients below) with goal of 20,000 gross sq ft
<b>Anchor Client(s)</b>	1-2 clients occupying up to 2,500-5000	No greater than 25% of the Facility gross sq ft 1-2 = 2,500 to 5,000 sq ft. (max)

<sup>17</sup> Based on the estimated and recommended size of the business incubator (or the Hernando Entrepreneurial Assistance Center).



Criteria	Target Range	Comments
<b>Common Areas</b>	<p>Admin suite for 3 people 3-4 conference &amp; training rooms</p> <p>Restrooms</p> <p>Visitor Offices (EIR, Resource partner)</p>	<p>3 enclosed offices with admin services/small conference area – 600-800 total sq ft with reception area</p> <p>Conference rooms; #1 – 200; #2 – 400; and #3 – 1,500 sq ft = 2,100 sq ft</p> <p>Whatever is required by law (400-800 sq ft)</p> <p>2 @ 120 sq ft</p>
<b>Parking Lot</b>	3 per 1,000 gross sq ft.	Typically, code requires less but this is the best practice for incubators
<b>Admin Team</b>	Director, receptionist, Facilities (PT); Program Mgr /coach/ EIR (PT)	Over time, grow facilities and Program mgr to full-time positions
<b>Maker/ Fabrication Spaces</b>	Dedicated zones for prototyping, fabrication, or hands-on training (for trades, manufacturing) should be considered, with modular walling and safety features	1,000 to 1,500 sq ft
<b>Tenant Amenities</b>	Mailroom, storage, and lockers	Secure mail/package lockers, especially for e-commerce or R&D tenants. <sup>[1]</sup> short-term lockable storage
<b>Flexible Design Considerations</b>	N/A	<p>Interior layouts should prioritize reconfigurability to accommodate evolving tenant mix, events, or anchor clients.</p> <p>Reserve unfinished space for future lab/office buildout, mitigating risk of over-concentration early on.</p>

Criteria	Target Range	Comments
<b>Utility/Infrastructure Readiness</b>	<p>All areas must be measured for load handling, especially lab and workshop spaces.</p> <p>Consider high-speed data access.</p> <p>High-speed internet, secure Wi-Fi, and data redundancy for tech startups and hybrid work needs.</p>	<p>Captured within the design in the non-leasable square footage</p> <p>Secure, air-conditioned server area</p>

Regardless of whether it involves new construction or renovation/rehabilitation, keep these benchmarks in mind when designing the space. The facility’s operational success will depend on incorporating mechanisms for growth, such as modular walls, shell spaces for future build-out, robust digital infrastructure, and specialized amenity zones that can accommodate frequent tenant turnovers, sectoral shifts, and rapid expansion requirements. Treating the incubator as a living ecosystem, rather than a static property, will maintain relevance, meet evolving market demands, and provide enduring value to the community throughout its lifecycle.

### **Photos of Various Potential Incubator Sites**

**14075 BKV Tech Center – Helicopter Drive, Brooksville, FL 34614 (vacant lots next to Wilton Simpson Technical College)**



**1 E Jefferson St, Brooksville, FL 34601 (2nd Floor of Truist Building)**



**100 N Brooksville Ave, Brooksville, FL 34601**



**Sonlight Plaza, 9254 Cortez Blvd, Spring Hill, FL 34613**





## Section 5: Entrepreneurial Programming

Across the US, mixed-use incubators under 20,000 sq ft<sup>18</sup> offer a blend of specialized space, entrepreneurial education, structured mentorship, industry partnerships, and flexible real estate models, with a strong emphasis on accessibility for diverse business types and measurable support outcomes. Entrepreneurial programming should be venture-stage and sector-appropriate.

### **Composite Critical Success Factors Benchmark – Mixed-Use Incubators (<20,000 sq ft, USA)**

Some key considerations for smaller mixed-use business incubators include examining the following criteria for appropriate programming and entrepreneurial support. Some of the support could be provided without a dedicated facility, allowing the business incubator to begin branding and community-building efforts.

Typical incubation programs of this size thoughtfully consider the following Critical Success Factor (CSF) dynamics:

- **Facilities mix:** These programs typically combine flexible offices, coworking spaces, private suites, and light lab setups. Over 95% of incubators offer collaborative workspaces and accessible amenities to startups, often with sector-specific features. For instance, prototyping or shared equipment for short-run manufacturing and/or assembly may be offered in the business incubator.
- **Education/mentorship:** Most provide cohort-based entrepreneurial training, peer-to-peer and professional mentorship, financial literacy workshops, and hands-on product showcases or competitions.
- **Industry integration:** Successful models blur the lines between business and academia. Local employers, schools, and workforce boards deliver in-kind coaching, internships, and support, generating internship and job opportunities through applied learning and entrepreneurship projects.
- **Funding:** They favor government, educational, and regional economic development support. Diverse funding streams enable affordable lease rates and scholarship programs, with growth tied to public investment.
- **Performance tracking:** Metrics now extend beyond capital raised- revenue growth, job creation, community engagement, and long-term venture support are routinely tracked, focusing on sustainable impact.
- **Specialization:** Many mixed-use incubators concentrate on local needs, such as advanced manufacturing, food/agriculture, biotech, space/aerospace, creative media, or IT, with “soft landing” support for relocating ventures.

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<sup>18</sup> Recognize that the average U.S. mixed-use incubator is 2x this size. Hernando County’s focus will be an Entrepreneurial Assistance Center that is a **one stop shop (reducing friction and coordinating services/wayfinding across the entrepreneurial ecosystem)** for integrating the entrepreneurial ecosystem. Programs like this will likely require long-term subsidies and financial support. However, the anticipated economic impact will justify the ongoing programming and facility support.

**Table 5.1 Regional Program Comparison and Alignment with Industry Benchmarks**

The benchmark below evaluates the programming feature against what a typical 20,000 sq ft mixed-use incubator might offer its clients.

<b>Programming Feature</b>	<b>Hernando County</b>	<b>SMART Start Pasco</b>	<b>UCF Eustis</b>	<b>US Mixed-Use Incubator Composite</b>	<b>Benchmark (&lt;20,000 sq ft)</b>
<b>Coaching &amp; Advising</b>	SBDC, confidential consulting with EIRs	Expert business coaching	SBDC, advisors onsite	Cohort training, expert advisors	Yes
<b>Mentorship</b>	Start with SCORE, evolve to a custom program <sup>19</sup>	Formal mentor network	Vetted mentor matches, cohorts	Peer learning; mentoring, structured programs	Yes
<b>Entrepreneur Workshops</b>	Focus on innovation services/more complex Tech Assistance	Cohorts, ongoing workshops	Boot camps, traction programs	Financial literacy, showcase events	Yes, applied learning
<b>Networking</b>	Chamber, nonprofit, school alliances	Partners, events	Graduate/ alumni networks	Community, industry, K-12 integration	Peer/expert events
<b>Facilities/ Admin Support</b>	Future incubation program in <a href="#">chosen location</a> <sup>20</sup>	3 centers, kitchen/me dia	Coworking , office suites	Mixed workspace, modular amenities	Workspace/ resources

<sup>19</sup> Incubation programs have customized mentorship offerings with companies like We Love Mentors (<https://welovementors.com>) and. For a community-based program look at the Innovation Connector in Muncie, IN at <https://www.munciementorship.com>). Additionally, [Venture Mentoring Team](#) and [Mentorloop](#) are other platforms to consider.

<sup>20</sup> Review Site Selection section of this report for potential existing and greenfield sites.

Programming Feature	Hernando County	SMART Start Pasco	UCF Eustis	US Mixed-Use Incubator Composite	Benchmark (<20,000 sq ft)
<b>Specialty/ Focus</b>	Innovative companies, proprietary advantaged, tech enabled, aerospace, healthcare, manufacturing, TD&L	Food/ media, general startups	Scalable tech/ software	Food, biotech, creative, tech, local needs	General or sector-specific
<b>School/ College Pipeline</b>	Simpson Tech, K-12, STEAM <sup>21</sup> , dual enrollment	Interns, scholarships	UCF partnership, university pipeline	K-12, college collaborations	Locally dependent
<b>Community Investment</b>	General Fund, grants, CETA support	ED, regional, private	UCF/ regional, soft landing	Government, education, workforce board	Broad public/ private mix
<b>Tracking Metrics</b>	Early-stage pipeline, jobs, youth engagement	Impact scores, alumni	Venture growth, alumni net	Revenue, jobs, community scores	Revenue, jobs, growth

Small incubators under 20,000 sq ft commonly offer **coaching**, **advising**, and **mentorship** as core elements of their entrepreneurial education programming, alongside curated workshops and access to a professional network.

### **Key “Best Practice” Differentiators for Place-making Organizations**

- Strong emphasis on flexible space designs enabling rapid pivot between types and sizes of space offered.
- Deep K-12, college, and workforce engagement with lasting mentorship and applied business projects.
- Performance tracking of jobs, community outcomes, and continued alum engagement beyond graduation.

<sup>21</sup> STEM is referring to the academic disciplines of Science, Technology, Engineering and Mathematics these academic disciplines and the careers associated with them and STEAM adds in the Arts. STEAM education emphasizes an interdisciplinary approach that develops skills like problem-solving, critical thinking, and creativity, which are crucial for innovation and preparing students for high-demand careers.



- Programs are often tailored directly to local/regional market gaps, such as space/aerospace in Hernando, creative and tech in metro areas, and food in commercial kitchen hubs.
- A well-designed Hernando incubator could combine leading US features, such as flexible space, STEAM/industry partnerships, applied entrepreneurship, and outcome tracking, to create a regionally unique model.

### **Programming Approach**

Most smaller business incubators deliver education through one-on-one business coaching, structured workshops, and access to subject matter experts and community partners. Successful incubators often collaborate with colleges or local service organizations to provide additional mentoring and business counseling services, which are usually embedded in their lease or membership agreements.

### **Entrepreneurial Education Features**

- Cohort-based programs lasting several weeks or months, mixing business fundamentals with applied learning.
- Regular online and in-person workshops covering marketing, operations, finance, and technology guidance.
- Best practice engagement with mentoring networks, such as SCORE, university innovation centers, or industry practitioners.

### **Core Offerings for Startups**

Incubators under 20,000 sq ft can successfully differentiate by providing:

- One-on-one coaching and advising from experienced entrepreneurs and business professionals.
- Mentorship programs that offer strategic advice, personalized feedback, and market insights tailored to the specific needs of an industry or startup.
- Networking opportunities through events, mixers, and alumni connections, facilitating investor access and peer collaboration.
- Administrative and operational support, including access to shared workspace, printing, meeting rooms, and office resources.
- Targeted workshops or training on marketing, technology, and business development, with actionable toolkits.

***Small incubators excel when they combine the above programming elements, ensuring comprehensive support for diverse startup needs while remaining agile and community-oriented.***

**Table 5.2 Incubator Value Table<sup>22</sup>**

<b>Incubator Programming</b>	<b>Description</b>	<b>Entrepreneurial Benefit</b>
<b>Coaching &amp; advising</b>	Regular strategic sessions with experts	Personalized business guidance to increase survivability and growth
<b>Mentorship</b>	Structured mentor access and feedback	Industry-specific insight and contacts; likely improves survivability and growth
<b>Networking Events</b>	Mixers and panels with investors & peers	Partnerships and funding links; coordinated and integrated ecosystem; reduces potential founder friction
<b>Workspace &amp; Admin Support</b>	Shared office resources and tech	Reduces early-stage costs and risks; provides credibility and community building,
<b>Entrepreneur Workshops</b>	Skill-focused classes (marketing, tech)	Practical knowledge for growth; competency building, target training in customers and capital.

## **Local Ecosystem Landscape**

SMARTStart Pasco and UCF Eustis welcome solo entrepreneurs, offering coworking space and dedicated offices that support a range of business sizes, from individuals to small teams. Hernando County should focus its incubator on startups of 2 or more, especially those with a proprietary or tech-driven advantage, helping set it apart as a destination for more scalable ventures.

**Table 5.3 Primary Target(s) for Entrepreneurial Support**

<b>Feature</b>	<b>Hernando County</b>	<b>SMART Start Pasco</b>	<b>UCF Eustis</b>	<b>US Mixed-Use Incubator Composite</b>	<b>Benchmark (&lt;20,000 sq ft)</b>
<b>Solo Entrepreneur Focus</b>	Not primary; aims for startups with 2+ and proprietary/tech edge	Yes, serves solo entrepreneurs and founders	Yes, includes solo entrepreneurs	Usually, will serve solo founders	Generally open to individuals

<sup>22</sup> Hernando surveys identified coaching, advising, mentorship and access to capital as critical for long-term ecosystem development.

Feature	Hernando County	SMART Start Pasco	UCF Eustis	US Mixed-Use Incubator Composite	Benchmark (<20,000 sq ft)
<b>Coworking Space Offered</b>	Yes, flexible coworking and business suites; can adjust focus to team-based and scalable ventures	Yes, coworking, dedicated desks, flexible space	Yes, historic coworking and individual office access	Yes, coworking and private office mix	Now standard, best when hybrid
<b>Team/Startup Emphasis</b>	Yes, recruit teams for proprietary or tech-enabled ventures	Mix of individuals, solo, teams	Mix of individuals, teams, scalable ventures	Most support both, but rapid-growth teams preferred	Locally dependent, best practice: hybrid

### **Recommendation for Hernando County**

- Hernando should offer limited coworking but prioritize startups and small companies with teams of 2 or more that have a proprietary advantage or tech edge, providing flexible open space for collaboration, along with scalable office suites as those teams grow.
- Positioning Hernando County as a destination for innovative, growth-focused teams, rather than individual freelancers, would differentiate it from SmartStart Pasco and UCF Eustis, aligning with best practices for scalable business incubation.
- A hybrid coworking/office approach remains best practice nationally, but Hernando County can stand out by focusing recruitment and programming on high-potential, team-based ventures.

### **Hernando County Entrepreneurial Assistance Center Differentiation**

- It focuses on recruiting and growing tech-driven, proprietary, and leading-edge businesses that can command premium value in their field, with incubation programming centered on measurable innovation and competitive advantage.
- Aerospace, supply chain, and healthcare support, plus access to critical infrastructure and regionally specialized workforce development, distinguish Hernando's offering from more general or mixed-use regional programs.
- The incubator's programming and selection criteria will be tailored to screen for companies with novel technology, intellectual property, or business models that fill a niche not directly matched by neighboring place-making entrepreneurial support organizations.

## **Coworking/Desk-Dedicated Sq Ft for Solo Entrepreneurs**

- On average, 2,000–5,000 sq ft is allocated for coworking, hot desks, or flex offices in facilities ranging from 5,000 to 20,000 sq ft.
- Larger centers (near 20,000 sq ft) sometimes allocate up to 6,000 sq ft for open desk or shared office use, but rarely more than a quarter of their total footprint.
- Individual desks and solo entrepreneurs' areas are often reconfigurable spaces that can be converted to team offices as demand shifts.
- Many incubators prefer using part-time and flexible membership models for solo founders to keep the space for solo entrepreneurs from being idle.

**Table 5.4 Coworking Estimates Based on Facility Footprint**

Incubator Size	Avg. Dedicated to Solo/Desks	Notes
<5,000 sq ft	~400–800 sq ft	2–8 desks, max
5,000–10,000 sq ft	~600–2,000 sq ft	5–20 desks/coworking seats
10,000–20,000 sq ft	~2,000–5,000 sq ft	14–50 desks/coworking seats, or flex space

## **Space Planning Insight**

To maximize value and minimize underutilization, most small incubators cap open desk/coworking space at ***no more than one-fifth of the total square footage***, focusing on scalable private offices and suites for startups with teams once demand shifts.

## **Program Rollout<sup>23</sup>S**

Strategic, phased implementation is essential for building brand equity and delivering targeted value through a business incubator. By sequencing programming in stages—from initial executive coaching and advisory engagement to full-scale staffing, mentorship, entrepreneur-centric workshops, and dynamic placemaking - the incubator can systematically establish its distinct identity, support local founders, and address key market gaps while adjusting its investments.

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<sup>23</sup> The business incubation program will need to determine how startups will be selected, triaged, or prioritized for services at each phase, and what criteria are used for cohort/program entry - important for a high-value, team-first model.

**Table 5.5 Phased Implementation of Strategic Programming**

Feature	Phase 1	Phase 2	Phase 3	Comments
<b>Coaching &amp; Advising</b>	Engage an EIR 1 day/week  Office hrs with VC/Angels	Engage an EIR 12/hrs Week  Office hrs with VC/Angels	Engage FT program mgr.	Coach and facilitator; build service provider expertise to support future client's needs (gaps noted in report on community survey)
<b>Mentorship</b>	Launch a cohort-based mentoring program	Continue recruiting next cohort	Continue recruiting next cohort	Key enabler of higher survivability and growth of early-stage companies
<b>Networking Events</b>	Partner with others in ecosystem	Partner with others in ecosystem	Partner with others in ecosystem	Not the area to focus on to differentiate
<b>Place-making (physical location)<sup>24</sup></b>	Virtual	Launch in temporary space	Occupy incubator ready facility	Build brand through differentiated program offerings
<b>Entrepreneur-Centric Workshops</b>	Brand innovation-based curriculum	Launch WKI or Growth Wheel type training	Embed stage-appropriate workshops in program	Focus on high-end and more complex technical assistance not offered in community
<b>Branding</b>	Create virtual support with ultimate name of incubator/program	Launch fully branded incubator web & social media presence share stories of client successes	Add in physical space component to web  Testimonials  Data collect impact	Build strong awareness, referral system, and value proposition

Especially given the likely timeframe for implantation, it is essential to build support for the business incubation program. Effective execution of phased programming enables a business incubator to build credibility, visibility, and market relevance. Thoughtful expansion of coaching, mentorship, branding, and curriculum strengthens client outcomes and referral networks. It creates a sustainable foundation for long-term growth, impact, and reputation as a community innovation leader. *Below is a sample framework* for sector-specific programming for targeted

<sup>24</sup> The key admission criteria for incubation selection might include how innovative, scalable is the business model, how motivated and coachable is the founder/team, level of commitment to program participation, degree of alignment with target sectors and mission, and likelihood for potential local economic impact.

industries. Each sector requires technical and business-focused coaching, specialized regulatory support, and access to mentors or facilities relevant to market and technology needs.

**Table 5.6 Vertical Market Technical Assistance Sample Navigation Menu**

Sector	Technical Mentoring/ Advising	Market/ Business Guidance	Regulatory Navigation	Specialized Connections	Equipment/ Process Support
<b>Spacetech</b>	Space engineering, TRL prototyping, systems integration	Commercial-ization, funding (SBIR/STTR), financial modeling	FAA, ITAR, IP, grant writing	R&D labs, gov. contracts, academic labs	Product dev, compliance, testing, certification
<b>TD&amp;L</b>	Supply chain, TMS, logistics, channel dev	Market analysis, digital platforms, partner building	Import/expo rt, transport regulations	3PL/4PL experts, logistics innovation	Process mapping, automation
<b>Manufacturing</b>	Prototype dev, process scaling, quality, automation	Lean startup, contracts, supplier relations	ISO/FDA certification, export strategy	SBDC, industry experts, production mentors	Equipment sourcing, workflow optimization

### **Key Entrepreneurial & Startup Resources**

In addition to national best practices and phased programming strategies, Hernando County already benefits from local entrepreneurial and workforce resources that can serve as the foundation for an incubator model and complement future programming.

Hernando County offers entrepreneurs free consulting services (SBDC, SCORE), data, and incentives (Economic Development), as well as strong networking opportunities through the Chamber and local business groups. Coworking spaces, tech partnerships, and library programs foster innovation, while Wilton Simpson Technical College builds workforce skills. The Brooksville–Tampa Bay Regional Airport & Technology Center offers infrastructure-ready space for industrial and logistics startups.

## **Robust and Dynamic Regional Entrepreneurial Ecosystem**

Hernando County benefits from a robust ecosystem of entrepreneurial support organizations (ESOs) that provide a comprehensive foundation for business incubation and startup growth. The ESOs detailed in [Table 5.7](#) collectively offer founders access to free consulting and training through the SBDC, targeted mentoring and business tools via SCORE, and practical guidance on incentives, zoning, and market insights from the County’s Office of Economic Development. Additional resources, such as the Chamber of Commerce, Nature Coast Business Professionals, provide opportunities for networking, community engagement, and access to affordable workspace. At the same time, the Florida High Tech Corridor Council connects tech-driven businesses to innovation programs at universities and strategic SBIR/STTR support.

**Table 5.7 ESOs in the Area**

<b>Resource</b>	<b>What’s Offered</b>
<b>Florida SBDC at USF</b>	Free consulting, training, growth, export, continuity
<b>SCORE Pasco-Hernando</b>	Free mentoring workshops and business tools
<b>Hernando County Office of Economic Development &amp; Business Resource Hub</b>	Data, property, zoning, incentives, market insights
<b>Greater Hernando County Chamber of Commerce</b>	Networking, events, SBA training, advocacy
<b>Nature Coast Business Professionals</b>	Local business networking
<b>Florida High Tech Corridor Council</b>	Tech innovation support, partnerships, entrepreneurship, FAST program (SBIR/STTR)
<b>Hernando County Public Library System</b>	Classes, digital access, community learning – lead generator for prospect founders/entrepreneurs seeking support
<b>Wilton Simpson Technical College</b>	Hands-on technical and vocational training
<b>Brooksville-Tampa Bay Regional Airport &amp; Technology Center</b>	Rail-enabled, infrastructure-ready campus for manufacturing, logistics, or industrial startups
<b>Nature Coast Manufacturers Association (NCMA)</b>	Monthly topical meetings/presentations and access to Florida Makes



## **Alignment and Synergies between the Draft Hernando County’s Task Force’s Growing Entrepreneur Startups and New Business and the Feasibility Report Recommendations**

### **Ecosystem-Centric Programming**

Both the feasibility study and the task force report highlight a strong commitment to developing a holistic entrepreneurial ecosystem that supports founders from ideation to growth and retention. This includes centralized programs, robust networking, and collaboration among educators, business leaders, and community partners. For further details on community stakeholder roles and the ecosystem-building strategy, consult the Task Force report's section on End-State Goals and Collaboration Initiatives.

### **Phased, Flexible Rollout**

The phased program launch approach - beginning with pilot offerings and flexible space, then scaling operations as demand grows - is a key theme in both documents. This strategy enables Hernando County to address current needs promptly while gradually developing a purpose-built incubator facility over time. Readers can review the Task Force report's implementation roadmap and pilot structure for more specifics about recommended launch phases.

### **Diverse Target Populations**

Both the feasibility study report and the task force recommend a focus on serving a diverse range of interests, including early-stage entrepreneurs, small business teams, veterans, students, and underrepresented groups. They advocate lowering entry barriers and broadening access through inclusive formats and dedicated outreach. The Task Force report contains additional population targeting details under its Community Engagement and Access to Capital sections.

### **Programming Breadth and Modularity**

Both the feasibility study report and the task force require a comprehensive range of educational, mentorship, and networking opportunities, delivered in modular and accessible formats. This includes live workshops, online content, cohort-based programs, and tailored technical assistance. The Task Force report outlines programming recommendations, particularly in its sections on Enhancing Entrepreneur Education and Strengthening Community Engagement.

### **Anchor Partnerships and Collaborative Governance**

Securing strategic partnerships and effective governance structures is crucial for program sustainability and success. Both the feasibility study report and the task force propose cross-sector boards and leadership roles, and stress the importance of integrating chambers, colleges, and business organizations for operational support. For more information on governance and partnership models, refer to the Task Force report’s recommendations regarding organizational structure and collaboration.

## **Long-Term Facility Planning and Leadership**

The feasibility study places particular emphasis on facility planning and the need for an anchor organization that will stabilize, be a catalyst for company attraction, and support/nurture the ecosystem. While the Task Force emphasizes space accessibility and physical outreach, the feasibility report details the risks of inadequate leadership and recommends strategies for sustainable facility and program management. Facility and leadership considerations are discussed in the Task Force report's Infrastructure and Physical Resources section.

## **Industry/Technical Specialization**

Sector-specific programming and the prioritization of scalable business teams are more explicitly covered in the feasibility study. The Task Force targets a broader mix of sectors, but further details and prioritization strategies are recommended in the feasibility study. See the Task Force report's section on Industry Partnerships for context on local sector interests.

## **KPI Measurement and Evaluation**

Robust outcome measurement and transparency are vital for ongoing success. The feasibility study emphasizes detailed key performance indicators (KPIs) and dashboards for stakeholder accountability, while the Task Force gives more general guidance on evaluation. The Task Force Report's Monitoring and Evaluation recommendations offer further information.

## **Funding Model and Sustainability**

Both reports recommend creative funding blends, but the feasibility study delves deeper into risk management and earned revenue strategies, extending beyond philanthropic grants or fee-for-service contracts with municipal partners. Details about proposed funding sources and sustainability challenges can be found under the Task Force report's Access to Capital and Incentives section.

## **Alignment Matrix**

The alignment matrix provided below offers a clear and actionable roadmap for the client to sharpen their focus and improve decision-making in their entrepreneurial initiative. By visually mapping major program categories against both the Task Force and Feasibility Study recommendations, the matrix highlights areas of strong consensus and flags those needing further review or integration. This tool allows the client to:

- Target resources and leadership attention toward categories ranked as "somewhat aligned," accelerating consensus-building or closing gaps before launch.
- Enhance readiness for implementation by making priorities and misalignments explicit, enabling teams to avoid wasted effort on low-impact or unclear activities.
- Support evidence-based decisions with side-by-side perspectives, enabling stakeholders to see exactly where their strategy is synchronized and where additional engagement, data, or clarification may be needed.

- Drive strategic progress by aligning actions with high-impact, consensus-supported themes, fostering team unity and accountability as the program rolls out.

Using the Alignment Matrix, Hernando County can confidently advance from planning to execution, leveraging high-alignment categories as quick wins, while systematically addressing partial or unclear areas to avoid last-minute surprises and ensure a stronger, more resilient entrepreneurship support program launch.

**Table 5.8 Alignment Matrix**

<b>Category</b>	<b>Task Force</b>	<b>Feasibility Report</b>	<b>Alignment Rating</b>
<b>Ecosystem Programming</b>	Centralized, partnership-driven, multi-stage	Centralized, partnership-driven, multi-stage	<b>1</b>
<b>Phased Program Rollout</b>	Launch with pilots, scale with demand	Launch with pilots, scale facility with demand	<b>1</b>
<b>Target Populations</b>	Inclusive: wide skill, status, and demographics	Inclusive: focus on teams and growth firms, plus solo founders	<b>1</b>
<b>Programming Breadth</b>	Modular, workshops, online, mentorship	Modular, workshops, mentorship, technical assistance	<b>1</b>
<b>Anchor Partnerships/ Governmental Units</b>	<b>Cross-sector board, director, stakeholder integration</b>	<b>Cross-sector board, director, strong local champion needed</b>	<b>2</b>
<b>Facility Leadership</b>	<b>Access to space emphasized, leadership less detailed<sup>25</sup></b>	<b>Stresses urgent anchor leadership, details on facility management</b>	<b>2</b>
<b>Industry Specialization</b>	<b>Sector-agnostic, open to all</b>	<b>Encouragement to build capability in some strategic sectors/clusters</b>	<b>2</b>
<b>KPI Measurement</b>	<b>General evaluation plans</b>	<b>Detailed KPIs, dashboards, post-program tracking</b>	<b>2</b>
<b>Funding Sustainability</b>	Blend model: grants, sponsors, partnerships	Blend model; warns of risks, recommends earned revenue	<b>1</b>
<b>Joint Implementation Steps</b>	Calls for phased action, co-branding, mentor pools	Calls for phased action, co-branding, mentor pools	<b>1</b>

**Ratings: 1 = Highly aligned, 2 = Somewhat aligned, 3 = Misalignment exists between the two approaches**

<sup>25</sup> There are no best practice incubators only best practice incubator leaders. Early selection of the leader is critical to the systematic and thoughtful development of the entrepreneurial support program.

## Section 6: Hernando County Cluster/Segment/ Industry Dynamics

With assistance from the University of Florida, the following analysis was used to establish baseline community trends from 2015 to 2025. The data source for all empirical information came from a custom dashboard from [www.youreconomy.org](http://www.youreconomy.org). The information below provides a snapshot of Hernando County's business activity.

The cluster analysis reveals distinct trends in Hernando County's business establishments and employment from 2015 to 2025, with significant implications for targeting industries and jobs to enhance the success of its business incubation strategy. Here are the most common themes and trends, cross-linked with the feasibility study's insights and recommendations:

### Modest Establishment Growth, Stagnant Job Creation

- **Modest Growth in Establishments:** Business establishments grew from 5,339 in 2015 to 6,503 by 2025, a CAGR of 1.81%. Growth plateaued after 2021, indicating a maturing and possibly saturated local market.

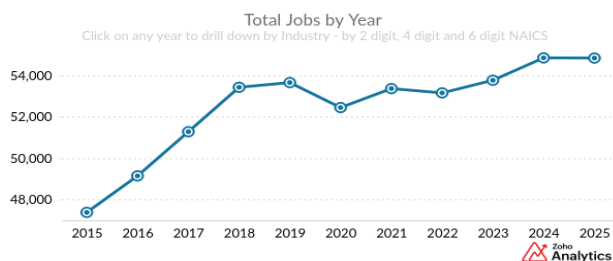
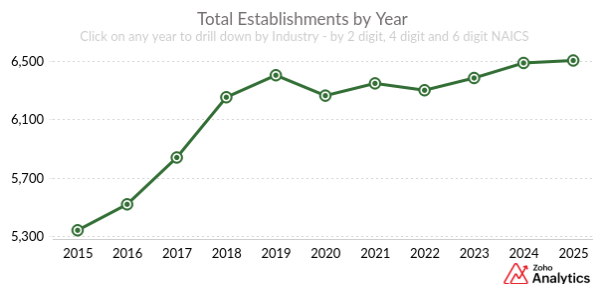


Table 6.1 County Establishments by Year

Year	# Establishments	CAGR% 2015-2025
2015	5339	
2016	5517	
2017	5838	
2018	6251	
2019	6402	
2020	6262	
2021	6346	
2022	6299	
2023	6383	
2024	6486	
2025	6503	1.81%

### Feasibility Implication(s):

- **Trend:** Steady growth, slowdown in recent years.
- **Takeaway:** The market is entering a mature phase; new business creation is not keeping pace with past years. The incubator strategy should adjust for lower startup rates and focus on companies with 2-9 employees.

**Table 6.2 County Jobs by Year**

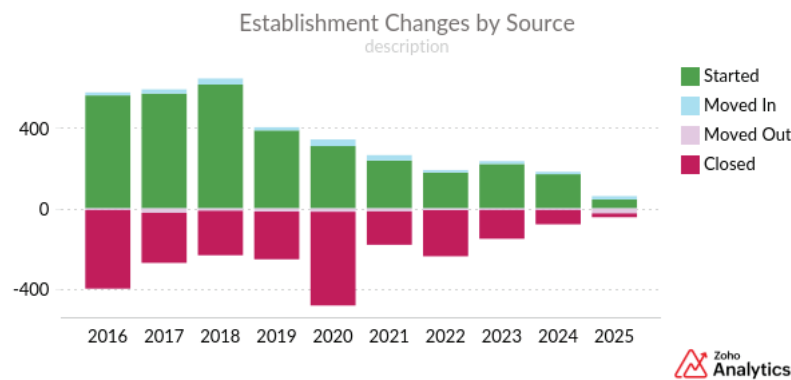
Year	# Jobs
2015	47,359
2016	49,132
2017	51,277
2018	53,435
2019	53,663
2020	52,450
2021	53,372
2022	53,162
2023	53,776
2024	54,864
2025	54,855
<b>CAGR% 2015-2025</b>	<b>1.34%</b>

- **Stagnant Job Creation:** Employment increased from 47,359 to 54,855, a **CAGR of 1.34%**. This slower pace than establishment growth suggests productivity improvement, automation, smaller firm sizes, and no significant new job creation.

**Feasibility Implication(s):**

- **Trend:** Jobs rising, but more slowly than the establishment count.
- **Takeaway:** Economic growth is not driving proportional job increases; incubators must address productivity and employment opportunities to meet the needs of their communities.

**High Establishment Churn and Low Net Additions**



- **High Churn:** Annual establishment startups and closures are high, with internal churn far outpacing net migration, and minimal external moves-in and moves-out. In recent years, the number of startups and closures has nearly balanced out, indicating market stabilization and some risk for new entrants.

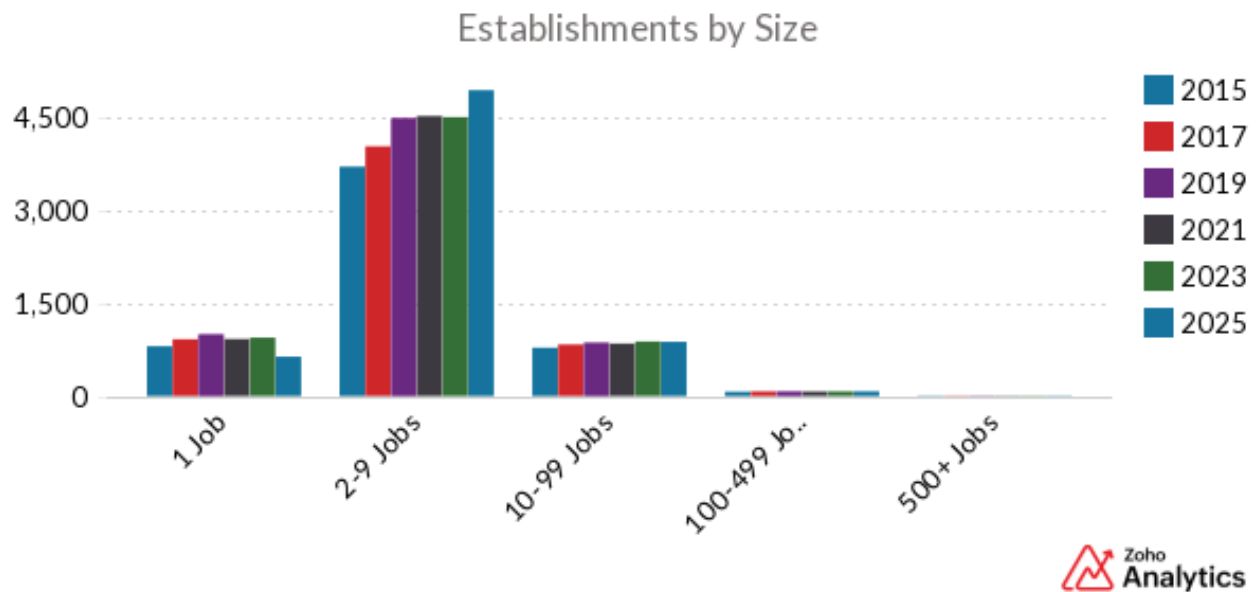
**Table 6.3 County Churn**

Year	Total Establishments Started	Moved In	Moved Out	Total Establishments Closed
2016	562	15	-8	-391
2017	571	21	-22	-249
2018	616	30	-12	-221
2019	388	16	-16	-237
2020	310	33	-17	-466
2021	238	27	-15	-166
2022	178	13	-9	-229
2023	221	14	-8	-143
2024	170	12	-8	-71
2025	44	17	-25	-19

### Feasibility Implication(s):

- **Trend:** High internal turnover, minimal net external attraction/loss.
- **Takeaway:** High risk for new startups; business-building support to improve venture survivability early on is a critical incubator service.

### Dominance of Small Firms and Shrinking Solo Entrepreneurs

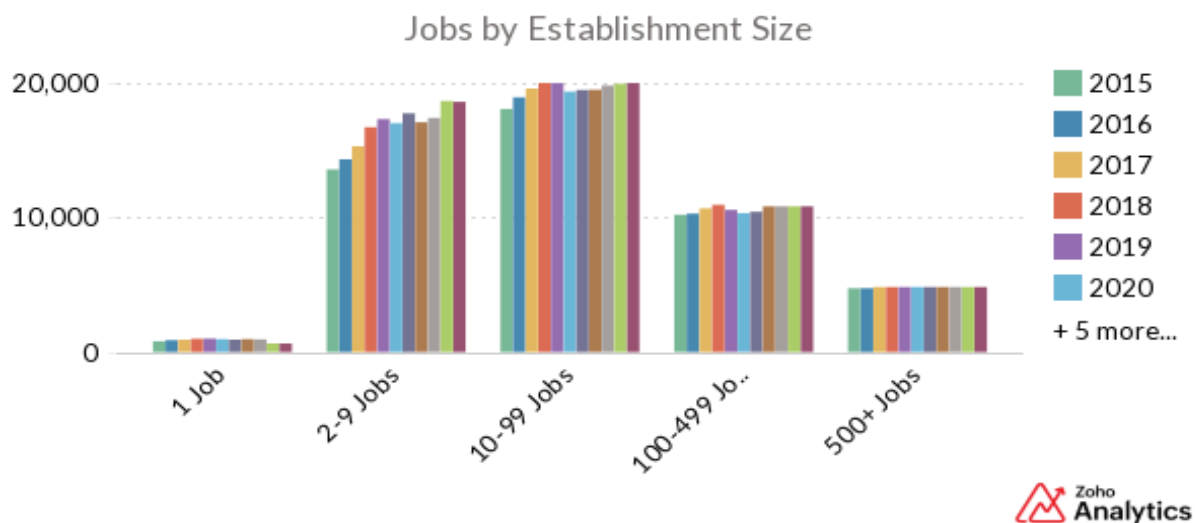


**Table 6.4 # Number of Business Establishments in Hernando County**

Year	1 job	2-9 jobs	10-99	100-499	500+
2015	799	3690	776	67	7
2016	875	3760	806	69	7
2017	913	4018	828	72	7
2018	983	4336	851	74	7
2019	993	4473	857	72	7
2020	951	4405	829	70	7
2021	917	4507	844	71	7
2022	954	4419	847	72	7
2023	938	4489	877	72	7
2024	636	4908	863	72	7
2025	632	4921	795	72	7
<b>CAGR% 2015- 2025</b>	<b>-2.11%</b>	<b>2.65%</b>	<b>.22%</b>	<b>.66%</b>	<b>0%</b>

### Feasibility Implication(s):

- Most firms have 2-9 employees, with this segment growing at a **2.65% CAGR**. Solo entrepreneurs (1-job establishments) are shrinking at **-2.11% CAGR**. Few large employers remain stable in count, but do not drive additional growth.
  - ♦ **Trend:** Declining solo firms, rising small firms, stable mid/large firms.
  - ♦ **Takeaway:** The incubator should prioritize the needs of small employers, branch into scale-up resources, and exercise caution in focusing too heavily on microenterprises.



**Table 6.5 # Number of Jobs by Business Establishment Size in Hernando County, FL**

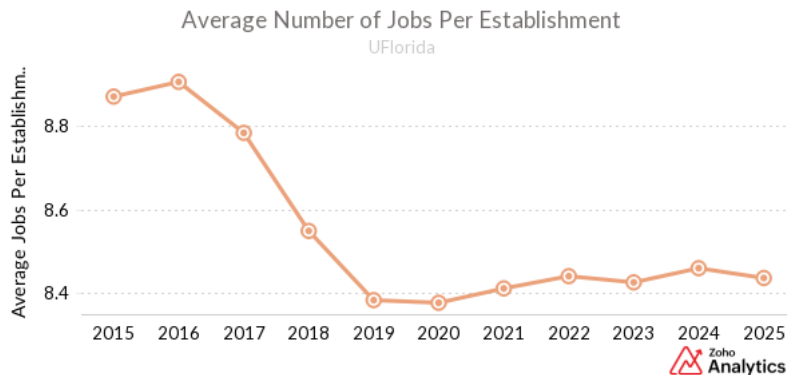
Year	1 job	2-9 jobs	10-99	100-499	500+
2015	799	13,564	18,058	10,200	4,738
2016	875	14,317	18,922	10,280	4,738
2017	913	15,288	19,576	10,674	4,826
2018	983	16,703	19,989	10,934	4,826
2019	993	17,308	19,979	10,557	4,826
2020	951	17,004	19,347	10,322	4,826
2021	917	17,735	19,472	10,422	4,826
2022	954	17,070	19,490	10,822	4,826
2023	938	17,395	19,795	10,822	4,826
2024	636	18,649	19,929	10,824	4,826
2025	632	18,587	19,987	10,823	4,826
<b>CAGR% 2015- 2025</b>	<b>-2.11%</b>	<b>2.91%</b>	<b>.93%</b>	<b>.54%</b>	<b>.17%</b>



### Feasibility Implication(s):

- **Trend:** Most job gains in 2-9 and 10-99 employee firms.
- **Takeaway:** Target job creation efforts in small and mid-sized company segments.

**Table 6.6 # of Jobs per Business Establishment (average size firms in Hernando County, FL)**



Year	1 job	2-9 jobs	10-99 jobs	100-499 jobs	500+ jobs	Ave per firm
2015	1.0	3.7	23.3	152.2	676.9	8.87
2016	1.0	3.8	23.5	149.0	676.9	8.91
2017	1.0	3.8	23.6	148.3	689.4	8.78
2018	1.0	3.9	23.5	147.8	689.4	8.55
2019	1.0	3.9	23.3	146.6	689.4	8.38
2020	1.0	3.9	23.3	147.5	689.4	8.38
2021	1.0	3.9	23.1	146.8	689.4	8.41
2022	1.0	3.9	23.0	150.3	689.4	8.44
2023	1.0	3.9	22.6	150.3	689.4	8.42
2024	1.0	3.8	23.1	150.3	689.4	8.46
2025	1.0	3.8	25.1	150.3	689.4	8.44
<b>Average</b>	<b>1.0</b>	<b>3.8</b>	<b>23.4</b>	<b>149.0</b>	<b>687.1</b>	

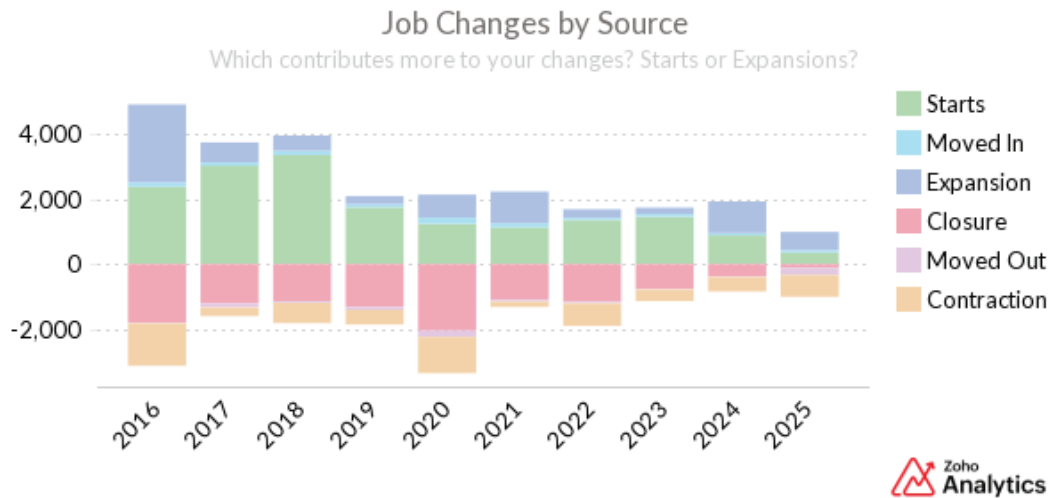
### Feasibility Implication(s):

- Most jobs are found in mid-sized firms (10-99 jobs), and this segment is seeing modest growth. The number of solo entrepreneurs **is decreasing, while employment in firms with 2-9 employees is increasing at the fastest rate, with a 2.91% compound annual growth rate (CAGR)**. This company size is a prime target for the mixed-use business incubator, so that coworking may be a minor component of the facility space allocation.

♦ **Trend:** Stable average size (~8.4 jobs/firm), little movement over the decade.

- ♦ **Takeaway:** The impact of an incubator should be measured by its ability to boost this average, primarily by supporting companies in the growth phase.

### Job Losses Tied Primarily to Closures and Contraction



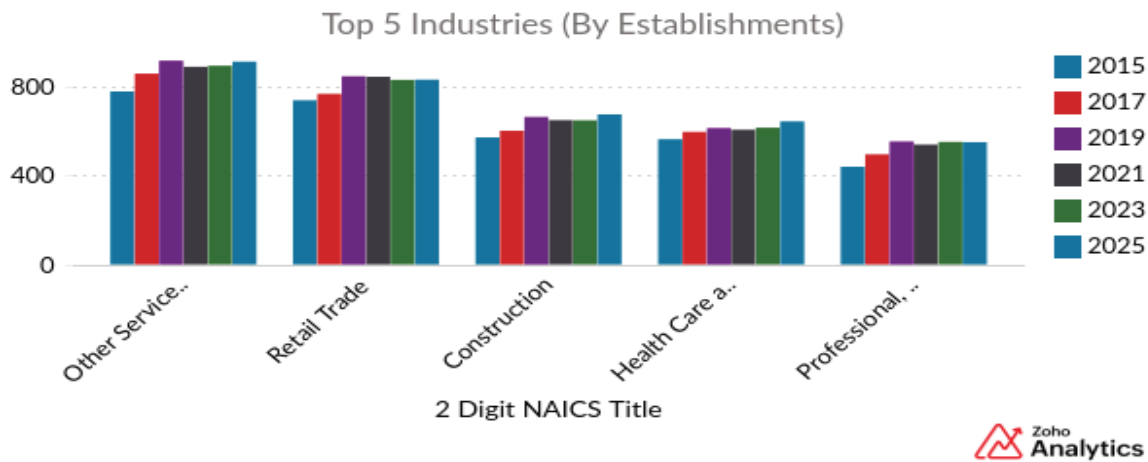
**Table 6.7 County Jobs Mix by Year**

Year	Total Jobs From Starts	Total jobs Moved In	Total Jobs from Expansion	Total Jobs Lost from Closures	Total Jobs Moved Out	Total Jobs from Contraction
2016	2,381	130	2,393	-1,795	-20	-1,303
2017	3,019	103	616	-1,209	-117	-267
2018	3,352	130	468	-1,142	-49	-618
2019	1,744	97	248	-1,321	-86	-444
2020	1,240	191	704	-2,045	-189	-1,111
2021	1,129	131	968	-1,092	-58	-165
2022	1,360	67	259	-1,154	-51	-689
2023	1,457	86	192	-761	-14	-356
2024	884	72	971	-374	-20	-443
2025	357	71	561	-121	-211	-670

### Feasibility Implication(s):

- **Trend:** Closures and contractions drive job losses.
- **Takeaway:** The Incubator program should include turnaround/counter-cyclical support for at-risk companies, as well as closure transition services, to provide value-added support for the community's ecosystem.

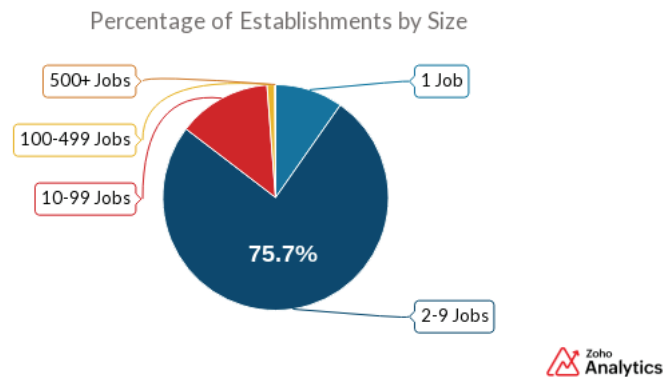
### Top 5 industries in the County



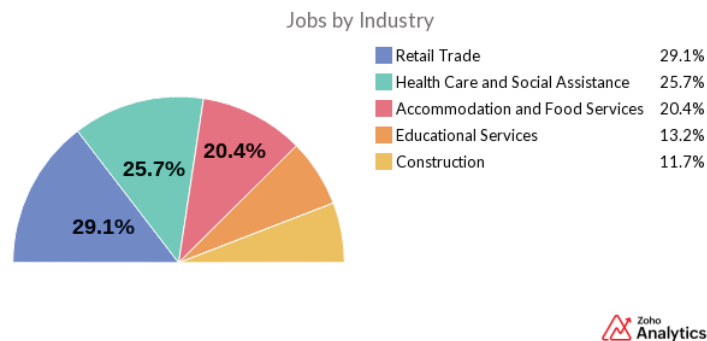
**Table 6.8 Top 5 Industries by # of Business Establishments**

Year	Construction	Health Care & Social Assistance	Other Services	Professional, Scientific and Technical Services	Retail Trade
<b>NAICS</b>					
2015	571	563	778	439	738
2016	578	584	797	474	745
2017	601	596	858	495	767
2018	651	614	900	526	828
2019	663	613	916	553	846
2020	625	597	905	542	838
2021	649	606	889	539	844
2022	642	604	885	540	835
2023	648	615	894	551	830
2024	676	634	912	551	831
2025	675	643	912	550	831
<b>CAGR%</b>	1.53%	1.22%	1.46%	2.07%	1.08%

### % of Business Establishments by # of Employees



### Top 5 Industries by # of Jobs



### Feasibility Implication(s):

The top sectors are construction, healthcare & social assistance, other services, professional/scientific/technical services, and retail trade. All have grown modestly, with professional/scientific/tech seeing the most significant establishment growth (**2.07% CAGR**). **This is a promising segment for a business incubation program focusing on innovative products/solutions.**

- ◆ **Trend:** All sectors modestly growing; professional/scientific/tech leading establishment growth.
- ◆ **Takeaway:** Prioritize these sectors for vertical-specific support, partner development, and cross-sector innovation initiatives.

## **Business Incubator Implications**

- Incubator programming should target firms with 2-9 employees, as this is the most dynamic and fastest-growing segment of the marketing industry. Traditional solo entrepreneur support may be less relevant due to its shrinking presence.
- High rates of firm turnover mean that robust screening, milestone-based advancement, and exit planning are critical for incubator stability. Support for both startup and closure processes should be enhanced.
- The static count of firms with 100 or more employees suggests limited organic growth. Incubator services and incentives aimed at helping small firms "graduate" to larger-sized ventures will be valuable.
- Since professional/scientific/tech services are growing fastest, specialized tracks for these businesses, alongside construction and healthcare, can attract high-potential clients and partners.

## **Trends & Takeaways**

### **1. Incubator Strategy and Business Environment**

- Modest economic growth, high business churn, and dominance of small firms indicate the need for a flexible, risk-sensitive incubator that highly supports business scaling efforts.
- A mixed-use incubator will best serve Hernando County by supporting a diverse range of small businesses (2-9 employees) across industries, as no single sector drives all job or firm growth.
- Maximizing impact requires a targeted approach toward high-growth sectors and small employer segments, where the most dynamic change and job growth are occurring.

### **2. Facility and Infrastructure Design**

- Spaces should accommodate growth-oriented solo entrepreneurs and small teams, while prioritizing scale-up capabilities and flexible workspaces to reflect the evolving employment landscape.
- Incubator infrastructure should be modular and tech-focused, supporting the evolving needs of small, high-potential firms.

### **3. Programming and Support Services**

- Incubator programming should blend robust survival and turnaround counseling with milestone-based graduation and growth pathways, recognizing high churn and contraction risks in the market.
- Provide counseling and resources for business closure and transition management to address job losses tied to contraction and exit.
- Create clear pathways for small teams to scale up and graduate to larger business classes, leveraging sector trends.

#### **4. Sector-Specific Tracks and Diversity**

- Develop sector-specific health, professional/scientific, and technical programming, as well as construction and retail programming, to attract a broad mix of tenants and build economic resilience.
- Focusing on multiple sectors enhances sustainability and enables the county to leverage modest growth and manage turnover effectively.

#### **5. Overall Impact and Sustainability**

- An incubator that aligns with these learnings will promote durable business sustainability and drive job creation where it is most needed, helping Hernando County capitalize on its current economic context and mitigate the risks associated with turnover.

#### **Putting the Pieces Together**

##### **1. Dominance and Growth of Small Firms**

- The most dynamic growth is seen in businesses with 2-9 employees, with the highest compound annual growth rate (2.65%) among establishment sizes.
- Solo-entrepreneur firms declined, while mid-sized companies remained stable but did not drive significant new growth.
- **Implication: Incubator resources and space should concentrate on supporting small teams and facilitating their transition to larger, more sustainable operations.**

##### **2. High Establishment Churn and Risk**

- The county exhibits high rates of firm startup and closure, with net external migration (i.e., the difference between those who move in and those who move out) playing a minor role relative to internal churn.
- As startups and closures nearly balance out, new ventures face a stabilizing but risk-prone market environment.
- **Implication: Incubator programming must prioritize venture survivability, including robust screening, milestone-based advancement, and closure/exit planning as standard community support services.**

##### **3. Stagnant Job Creation Despite More Businesses**

- While establishments increased steadily, job creation lagged (1.34% CAGR), hinting at productivity improvements, automation, and a shift toward leaner business models.
- Most new jobs are created by small and mid-sized companies, rather than by solo or large employers.
- **Implication: Job creation efforts and success metrics should focus on helping incubator clients expand employment through growth-phase activities and skills, not just new startups.**

#### 4. Diversified but Modestly Growing Industry Sectors

- No single sector dominates local job or company growth; however, construction, healthcare, other services, professional/scientific, and technical services, as well as retail, all contribute.
- Professional/scientific/tech services showed the fastest growth, indicating innovation and knowledge-based opportunities for incubator specialization.
- **Implication: Mixed-use incubators should design sector-specific programming while remaining flexible to serve multiple community economic drivers, maximizing local resilience.**

#### 5. Need for Flexible, Modular, and Technology-Enabled Space

- Data suggests an evolving market that requires adaptable workspaces for small teams, scalable infrastructure for growth, and technology-driven facilities.
- **Implication: Incubator facilities must be modular, support hybrid and flexible arrangements, and provide tech-enabled resources to suit evolving business models and team sizes.**

**Table 6.9 Major Themes and Patterns**

<b>Theme/Pattern</b>	<b>Evidence/Trend</b>	<b>Incubator Implication(s)</b>
<b>Growth in small firms</b>	2-9 employee firms lead growth	Focus support on small teams, scaling
<b>High churn/risk</b>	Balanced startup/closure rates	Venture survivability, planned exits
<b>Stagnant job growth</b>	Job CAGR < establishment CAGR	Emphasize job-creating activities
<b>Sector diversity/modest growth</b>	5 top sectors, Professional, Scientific & Technical fastest	Sector tracks; support economic resilience
<b>Flexible/tech workspace needs</b>	Evolving firm/team models	Modular, technology-enabled infrastructure



## **Section 7: Financial Analysis & Performance**

A critical component of determining feasibility is understanding the financial requirements and likely sustainability path of the proposed incubator options. While earlier sections of this report examined market demand, site selection, and programming, this section evaluates the capital investment, operating costs, and revenue potential needed to launch and sustain the incubator.

Two financial scenarios are presented: one leveraging an existing facility through adaptive reuse, and another envisioning a greenfield, purpose-built facility near the Brooksville–Tampa Bay Regional Airport. These models provide a framework for assessing both near-term viability and long-term strategic opportunity. (Please also review the attached Excel file for sensitivity analysis and to alter any key drivers and assumptions.)

This section reflects “**base case**” financial modeling that incorporates recent benchmarking data from comparable Florida incubators, including the Tampa Bay Innovation Center (operator of the ARK Innovation Center) and StarterStudio (Orlando). These updates replace the earlier Task Force baseline of \$345,000 in Year 1 operating costs, introducing a line-item approach to more accurately estimate the financial requirements of Hernando’s proposed incubator while integrating the programming with the facility management.

### **Financial Overview**

Two scenarios were modeled to reflect distinct development pathways:

- Scenario A – Existing Site (12,000 SF): Adaptive reuse of an existing county facility with moderate fit-out.
- Scenario B – Greenfield Site (17,500 SF): New construction at the airport or comparable site.

Each scenario includes full capital costs (Year 0) and projected operating revenues and expenses for a full lease ramp-up - Years 1 through 5. All financials are expressed in nominal dollars and assume 3% annual cost escalation. While core cost categories, such as utilities, maintenance, and base staffing, follow a 3 percent inflation assumption, total operating expenses rise more quickly in the early years to reflect the phased program expansion and additional staff as occupancy increases.

### **Assumptions & Key Drivers**

Operating cost categories were developed from peer incubator benchmarks, local wage data, and standard facility management ratios. The three principal cost drivers are staffing, facility operations, and program delivery intensity. Revenue assumptions reflect a ramp-up in occupancy and earned income, starting conservatively and increasing through Year 5.

### **Benchmark Validation**

Peer data from Florida incubators confirm that even small innovation hubs require substantial operating budgets to sustain high-quality services (consistent with business incubation best practices) and effective facility management. The Tampa Bay Innovation Center's FY2024 financials show approximately \$1.44 million in revenue and four staff members, while StarterStudio (primarily a programming-based incubator space) reported \$ 602,000 in revenue and \$ 488,000 in expenses in FY2023. Applying these ratios to Hernando's smaller footprint and regional cost context supports an estimated Year-1 operating range of \$390,000 to \$440,000. This figure includes salaries and benefits for three full-time staff members, as well as utilities and insurance at \$4–\$6 per square foot, and modest program and professional service costs. Finalizing decisions on who the primary incubator sponsor is essential to establishing a realistic financial structure for the business incubation program.

### **Variance Analysis**

The Task Force's lump-sum \$ 345,000 budget understated key cost categories - particularly staffing and facilities. The table below summarizes the recalibrated assumptions.

<b>Cost Element</b>	<b>Task Force Baseline</b>	<b>Revised Estimate Range</b>	<b>Notes</b>	<b>Details</b>
Staffing and Benefits		\$200,000-\$260,000	Market compensation & benefits	3 FTE
Facilities/Utilities and O&M		\$50,000-\$80,000	\$4-6 per Gross SQ ft.	More efficiency likely in greenfield build
Programming and Events		\$35,000-\$60,000	Peer Program	Benchmarks
Professional Services		\$15,000	Nonprofit overhead Costs	Could be higher if standalone legal entity
Reserve Contingency		\$12000-\$16,600	3-5% of OPEX	4%
Total Operational Cost	\$345,000	\$390,000-\$440,000		Depends on Scenario A or B

## **Scenario Results Summary**

Key outputs from the updated financial models are summarized below.

- Scenario A – Existing Site (12,000 SF): CAPEX ~\$1.5M, Year-1 OPEX ~\$405K, Revenues ramp from \$220K to \$580K by Year 5. Breakeven projected beyond Year 5.
- Scenario B – Greenfield Site (17,500 SF): CAPEX ~\$5.0M, Year-1 OPEX ~\$440K, Revenues ramp from \$170K to \$600K by Year 5. Breakeven was also projected to extend beyond Year 5, but with greater long-term scalability.

## **Recommendations**

The revised model demonstrates that the incubator is financially feasible with appropriate upfront investment and multi-year operating support. It is recommended that the County:

- Budget for Year-1 operating costs of at least \$400K (plus reserves).
- Phase staffing hires to align with occupancy growth. The most important hire is the Executive Director. It is recommended to have that person in place early to develop and own the program entirely.
- Establish an operating reserve equal to 12–18 months of expenses. Pursue blended funding (public + private) for programmatic and operational sustainability.

To ensure accountability and sustained progress, the County should designate a lead coordinating entity—such as the fiscal sponsor or designated Executive Director—to oversee implementation, funding pursuits, and stakeholder engagement. This entity should serve as the central point of coordination, ensuring transparency, reporting, and alignment between public, private, and educational partners throughout the incubator’s first five years.

## **Sensitivity Analysis**

SBA has provided two interactive models based on the two most likely scenarios: a renovation project and a new purpose-built construction (greenfield) project. These two interactive spreadsheets enable the County to adjust key variables and assess the potential impact on break-even, cash flow, and investment. Additionally, the models provide insight into the likely facility lease-up and the likely lease rates realized, based on occupancy, square foot rate, earned income revenue streams, and facility space productivity (gross to net leasable). Some variables are not fully understood or modeled now, including whether the program leases space from a landlord and remarkets the space, funds the leasehold improvements, the economic conditions at the time of opening, or if the program sponsor obtains a below-market lease from a community-minded landlord or provides the space in a county-owned building. These variables could materially alter the likely financial performance of the business incubation program.

## Section 8: Responsibility/Timeline Matrix

The first 24 months of the Hernando County Incubator implementation follow a clear, phase-by-month plan, focused on sequential capacity building, phased facility activation, and accountability to the community and funders. The critical path reduces launch risk, builds trust, and ensures readiness before full-scale occupancy or programming. Key deliverables, critical themes, and the project's essential milestones for months 1–24 are highlighted below.

Implementing this structured, evidence-based approach to incubator development positions Hernando County to proactively shape its entrepreneurial future amid shifting funding and market conditions. The proposed governance and sponsorship model is not just an organizational decision but a foundation for cultivating trusted partnerships, sustained innovation, and economic resilience. By prioritizing local leadership, transparency, and a phased strategy, Hernando County can transform past challenges into strengths, making the incubator viable and catalytic for deeper community engagement and long-term growth.

### 8.1 Month-by-Month: Key Deliverables and Milestones

Months	Phase & Focus	Major Deliverables and Activities	Critical Themes
<b>1–3</b>	<b>Pre-Launch</b>	- Finalize governance & legal structure (501c3, board)	Community trust, stakeholder buy-in
		- Begin business plan, executive director search, branding/marketing	Incubator professional is critical to success
		- Launch ecosystem outreach; set up intake funnel	
<b>4–8</b>	<b>Pilot Rollout</b>	- Temporary/co-working hub activated; early “soft launch”	Rapid early activation, pilot wins
		- First client cohort intake and triage	Proof-of-concept, learning orientation
		- Pilot mentorship (SCORE/SBDC/EIR)	Leverage incumbent ecosystem strengths
		- Early curriculum workshops (finance, marketing, compliance)	Alignment to local needs, service/value proposition
		- Start micro-loan/seed fund structuring, data collection on impact	Addressing capital gap
<b>9–18</b>	<b>Facility Ramp-Up &amp; Growth</b>	- Design/construction/fit-out of selected facility	Move from temporary to permanent, capex management
		- Phased move-in for anchor tenants, onboarding admin/program staff	Occupancy (40%+), organizational maturity
		- Ongoing mentorship, added sector-focused programming	Scaling & refining model

Months	Phase & Focus	Major Deliverables and Activities	Critical Themes
		- Branding, full public launch, impact tracking	Visibility, credibility
19–24	Scaling & Impact	- Occupancy target reaches 60–80%	Sustainable revenue, utilization
		- Alumni tracking and community engagement	Closing feedback loops, outcome orientation
		- Programming expansion (sector labs, new tracks)	Evolution, responsiveness to demand
		- Start annual ecosystem needs/impact survey, KPI review	Course correction, transparent reporting

### **Critical Themes & Success Factors**

- Establish a trusted nonprofit structure, engage cross-sector leadership, and communicate transparency to build legitimacy and local ownership.
- Begin services and program branding before permanent facility completion, using temporary space to test, learn, and build a pipeline.
- Capture client “quick wins,” track preliminary impact, and share stories to build momentum and manage expectations in a community shaped by past setbacks.
- Sequence funding and facility commitments to avoid overexposure; scale up only once readiness is proven and occupancy is secured.
- Implement program impact tracking, alum follow-up, and responsive course correction as soon as operations begin.

### **Critical Path Activities**

- Legal/entity setup, board recruitment, and director hiring - all must be completed for legitimacy and to unlock funding.
- An early launch in a temporary/flexible space demonstrates action, tests the service model, and builds public confidence while the permanent fit-out occurs.
- Facility design, construction, or renovation must remain on schedule to transition from the pilot phase to full occupancy; delays risk losing momentum and eroding stakeholder trust.
- The phased intake of anchor tenants and expansion are crucial to achieving 80% occupancy and revenue goals.
- Regular impact reporting and alums tracking establish long-term credibility and support funding renewals.

This approach ensures the program moves steadily from concept to sustainable operation, addressing the county’s historic skepticism by prioritizing early execution, transparency, and inclusive community engagement at every stage.

## 8.2 Critical Path to Incubator Market Launch

Key Milestones/Pathway (month of year >>)	1	2	3	4	5	6	7	8	9	10	11	12
Stakeholder Engagement	X	X	X	X	X	X	X	X	X	X	X	X
Governance Setup		X	X	X								
Develop Business Plan (either on own or with outside consultant)	X	X	X	X								
Build Strategic partnerships and preferred Resource partners		X	X	X	X							
Branding/Marketing					X	X	X	X	X	X	X	X
Secure Funding/ Case for Support					X	X	X	X	X	X	X	X
Bid for A&E services, construction services				X	X	X	X					
Site/facility Planning								X	X	X	X	X
Facility Fit Out												X
Recruit Incubation Manager				X	X	X	X					

Key Milestones/Pathway (Month of year>>>>)	13	14	15	16	17	18	19	20	21	22	23	24
Stakeholder Engagement	X	X	X	X	X	X	X	X	X	X	X	X
Branding/Marketing	X	X	X	X	X	X	X	X	X	X	X	X
Site/facility Planning	X	X	X									
Branding/Programming				X	X	X	X	X	X	X	X	X
Facility Fit Out	X	X	X	X	X							
Full Launch			X	X	X	X	X	X	X	X	X	X

## **Phased Timeline Matrix**

A clear, actionable timeline is central to Hernando County’s business incubator launch strategy, translating vision into measurable progress and visible outcomes. The pathway from concept to full-scale operation is built around four key, sequential phases—each directly aligned with stakeholder expectations, identified gaps, and industry benchmarks to ensure disciplined execution, accountability, and sustained momentum.

### **Phase 1: Pre-Launch (Months 1–3)**

The foundation is laid by rapidly finalizing governance, establishing a legal entity (preferably a 501(c)(3) with a cross-sector board), and launching ecosystem engagement to build trust and ensure inclusive buy-in. An executive director search is initiated, and early branding/marketing efforts set the tone for community awareness. Critical partnership agreements and an intake funnel for prospective clients are structured during this formative period.

### **Phase 2: Pilot Rollout (Months 4–8)**

Operations begin using temporary or flex space, activating identity and impact through the first intake of clients and pilot mentorship programming, especially leveraging SCORE and SBDC resources. Early program workshops address high-priority topics, including finance, marketing, and compliance. This phase focuses on jumpstarting client services, showcasing quick wins, and piloting data collection on impact for future reporting.

### **Phase 3: Facility Ramp-Up and Growth (Months 9–18)**

Attention shifts to the permanent incubator facility, where design and construction milestones are met, and the phased move-in of anchor tenants and early-stage ventures progresses toward target occupancy (initially 40%+, reaching 80%+ as programming scales). New staff members, such as program managers and an administrative team, are recruited. Data-driven evaluation and ongoing mentorship programs are embedded, while additional sector- and lab-specific programming comes online to meet evolving startup needs.

### **Phase 4: Scale and Sustain (Months 19–36+)**

With the facility and programming infrastructure operational, emphasis pivots to expansion, evaluation, and long-term sustainability. Annual needs and impact surveys calibrate service offerings. Alum tracking, KPI reviews, and storytelling of individual and cohort-level successes deepen community roots and drive referrals. New partnerships and sector tracks are added, facility amenities are enhanced, and strategic planning for years 4–5 ensures continued performance and funder confidence. Regular reporting and transparent dashboards reinforce credibility, which is essential for overcoming previous false starts.



### 8.3 Phased Timeline Matrix: Key Activities By Month

Month	Phase 1: Pre-Launch (Months 1-3)	Phase 2: Pilot Rollout (Months 4-8)	Phase 3: Facility Ramp-Up and Growth (Months 9-18)	Phase 4: Scale & Sustain (Months 19-36+)
Month 1	Finalize governance board, legal entity setup Begin business plan development			
Month 2	Begin executive director recruitment; branding initiated Develop strategic partnerships/resource partners			
Month 3	Ecosystem outreach/partner agreements; set intake funnel			
Month 4	Temporary space/coworking hub activated	Client intake, recruitment and service triage		
Month 5	Initial mentorship program (SCORE, EIR)	Launch pilot program workshops (finance, marketing, etc.)		
Month 6	Micro-loan/seed fund structuring begins	Set up shared services/admin support	Facility design buildout commences	
Month 7	Advisory partnerships formalized	Data collection, impact tracking starts		
Month 8	First community showcase/event	Ongoing mentor/client matchmaking	Construction/renovation milestones hit	
Month 9		Expansion into selected facility, phased client move-in	Occupancy at 20-40%, onboarding anchor tenants	Evaluation for expansion, new sector tracks
Month 10		Intensive business/skills coaching ramps up	Staff positions (program mgr, admin) hired	

Month	Phase 1: Pre-Launch (Months 1-3)	Phase 2: Pilot Rollout (Months 4-8)	Phase 3: Facility Ramp-Up and Growth (Months 9-18)	Phase 4: Scale & Sustain (Months 19-36+)
Month 12			Full facility branding, public launch	Initiate annual ecosystem needs/impact survey
Month 15			Occupancy at 60-80%	Alumni tracking for graduate retention
Month 18			Additional sector/lab programming adds	Begin Phase 1 expansion (common lab, new tracks)
Month 24				KPI review, adjust programming, new partners, marketing
Month 36				Strategic planning for years 4-5, reporting, sustainability reviews

## Appendix 1: Survey Respondent Characteristics

Item	Results	Comment(s)
<b>Overall Survey Response Rate</b> (Completed/distributed)	<b>42/600 or</b> <b>7% response rate</b>	Several reminder emails improved response rates.
<b>Major categories responding to the survey</b>	Entrepreneurs/Business owners (24%) Service or resource providers (17%) Corporations (17%)	Cross-section of ecosystem participating in stakeholder interviews and community interest survey.
<b>Principal Industries</b>	21% - Services 14% - Manufacturing 10% - Government	Diverse mix of respondents
<b>Where the community members live?</b>	24% work in Hernando County 5 % don't live or work in Hernando County	Broad geographical representation.
<b>How long have you lived in the area?</b>	57% - > 10 years 7% - >5 < 9years	Long standing community members
<b>Benefit from a formal Business Incubation program</b>	74% - To a Great Extent 8% - Unsure	Strong interest and support for business incubation as an economic development tool.
<b>Does the County need a business incubation program</b>	72% - To a Large Extent 13% - Unsure/No, Not at All	Strong advocacy.
<b>Most Important Business Incubation Services (priority order)</b>	1. Finding customers (56% most important) 2. Business Coaching (46% most important) 3. Educational Workshops (44% most important)	Services are consistent with today's business incubation business-building programming.
<b>Where do entrepreneurs go for help? (Force ranked highest to lowest)</b>	1. Greater Hernando County Chamber of Commerce (67%) 2. Hernando SBDC (67%) 3. Hernando County Office of Economic Development (49%)	Consistent sources/destinations for referrals and support both now and in the future.
<b>Startup environment in Hernando County</b>	Growing and thriving (33%) Challenging and Frustrating (28%)	No clear consensus on the climate for innovators.
<b>Rate the entrepreneurial resources</b>	Top Notch: Resource providers (26%) Unsure/Poor: RE brokers (32%); bookkeepers (32%) and lawyers (32%)	Choppy ecosystem of support. More work will need to occur to bring the quality up across the ecosystem players.
<b>Rate the business climate</b>	<b>6.81</b> on a 10 scale (higher=better)	Lower than desired. Goal should be 8.0 or higher.

Item	Results	Comment(s)
Rate the quality of the entrepreneurial ecosystem	6.06 on a 10 scale (higher=better)	Much lower than desired but an important element of the business case for a business incubator.
Types of Business needed in next 5 years	<ol style="list-style-type: none"> <li>1. Manufacturing, advanced manufacturing, and TD&amp;L (86%)</li> <li>2. Defense, aviation, spacetechnology and aerospace (67%)</li> <li>3. Technology (apps, e-commerce, software dev) – 56%</li> </ol>	Consistent with targeted industries of the economic development operations.
Trend in increase in # of startups	28% - lots more 31%- more lifestyle and home-based	Inconsistent view of the opportunity for high-quality, innovative startups.
Sources for capital access if looking for \$50K	<ol style="list-style-type: none"> <li>1. Community bank or credit union</li> <li>2. SBA</li> </ol>	Consistent with most communities of its size.
Top 3 worries if starting a new business	<ol style="list-style-type: none"> <li>1. Securing funding</li> <li>2. Finding an affordable location</li> <li>3. Finding people to hire</li> </ol>	Strong support elements for a community-based incubator.
Top KPIs/ Metrics	<ol style="list-style-type: none"> <li>1. Survival rate of incubated companies</li> <li>2. # of jobs created in targeted industries</li> <li>3. # new business launched</li> </ol>	Consistent with interviews and likely outcomes of a high quality and effective business incubator.
Type of incubator preferred	Combination of in-person and virtual support	One location with remote services would be more desirable than a distributed physical presence.
Primary Economic Goal of Incubation Program	<ol style="list-style-type: none"> <li>1. Nurture young businesses</li> <li>2. Create employment opportunities for residents</li> </ol>	Highly aligned with the major reasons communities pursue business incubation as an economic diversification strategy.

*\*ESO = Entrepreneurial Support Organizations (business incubators, coworking sites, accelerators, and resource partners like WBCs, SBDCs, SCORE, PTACs, and Vet Business Centers, etc.)*

## Appendix 2: SWOT Analysis

This analysis is based on stakeholder interviews and will evolve when other data is integrated in future phases of the project. SWOT analysis is a snapshot in time and should be revisited as future phases are implemented.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- High levels of community and stakeholder support with strong intent to participate</li> <li>- Clear alignment with county's economic development goals (diverse industries, workforce, talent retention)</li> <li>- Collaborative local ecosystem (Chamber, SBDC, ED, colleges)</li> </ul>	<ul style="list-style-type: none"> <li>- Limited funding and ongoing sustainability concerns, especially post-county support</li> <li>- Past failures lingering in public perception; requires proactive messaging</li> <li>- Talent shortages and skills gaps, particularly in advanced manufacturing and tech sectors</li> </ul>
<ul style="list-style-type: none"> <li>- Diverse mix of location options (airport, technical college, Tech Center, downtown)</li> </ul>	<ul style="list-style-type: none"> <li>- Risk of duplication with existing services without careful design</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>- Anchor in targeted growth sectors (pharma, manufacturing, aerospace, healthcare)</li> </ul>	<ul style="list-style-type: none"> <li>- Economic and political instability, shifting commitment/funding uncertainty</li> </ul>
<ul style="list-style-type: none"> <li>- Could launch a micro-loan program to plug urgent funding gaps</li> </ul>	<ul style="list-style-type: none"> <li>- Community/leadership support of economic development<sup>26</sup> or sectoral over-focus risking support</li> </ul>
<ul style="list-style-type: none"> <li>- Leverage strong partnerships for workforce pipeline and programming</li> </ul>	<ul style="list-style-type: none"> <li>- Poor leadership, lack of coordination, or slow execution could undermine impact</li> </ul>
<ul style="list-style-type: none"> <li>- Position as a visible "one-stop shop" business navigator, not just a landlord</li> </ul>	<ul style="list-style-type: none"> <li>- Failure to deliver tangible results could harm long-term trust and support</li> </ul>

<sup>26</sup> Some officials or community citizens might call the incubator a form of "corporate subsidy" like one of the Commissioners comments in Winter Gardens, FL. Providing clarity and transparency for the business case for the business incubator and messaging these key points will be essential to early community buy-in and ownership.

## Appendix 3: Key Facility and Programmatic Patterns/Themes

Dimension	What's Needed/ Preferred	Stakeholder Consensus/Commentary	Potential Risks/ Barriers
<b>Practical Startup Needs</b>	<ul style="list-style-type: none"> <li>- Centralized resource hub (“one-stop shop”)</li> <li>- Structured mentoring &amp; coaching</li> <li>- Navigation for funding &amp; capital</li> <li>- Programming: legal, tax, compliance, QuickBooks, marketing, leadership</li> <li>- Affordable space, micro-loan options</li> </ul>	<ul style="list-style-type: none"> <li>- Wide agreement on the need for practical, hands-on programming</li> <li>- SBDC, SCORE, Chamber, banks, ED leadership all cite service and guidance gaps</li> <li>- Emphasis on navigating capital sources and vetted coaching</li> <li>- Demand for peer-network building and founder support community</li> </ul>	<ul style="list-style-type: none"> <li>- Funding for startups and program operations is scarce</li> <li>- Many grants/resources underutilized or fragmented</li> <li>- Lack of micro-loan program like Pasco</li> <li>- Outreach and engagement of newer, younger founders may lag</li> </ul>
<b>Industry Focus &amp; Strategy</b>	<ul style="list-style-type: none"> <li>- Mixed-use model: do not limit to single sector</li> <li>- Focus: service businesses, advanced manufacturing, aerospace/aviation, healthcare manufacturing</li> <li>- Keep open to main street and scalable firms</li> <li>- Serve 3–8 employee companies, but allow for expansion</li> </ul>	<ul style="list-style-type: none"> <li>- Most want balance: don’t narrowly target advanced manufacturing or “space” only</li> <li>- Some call for clear inclusion of local strengths (pharma, advanced mfg., healthcare, aviation)</li> <li>- Service sector and trades are the current deal flow</li> <li>- Avoiding over-dependence on any one sector promoted by Chamber and county officials</li> </ul>	<ul style="list-style-type: none"> <li>- Market too small for a single-industry approach</li> <li>- If only high-growth/high-tech, risk underutilization</li> <li>- “Space focus” not yet supported by local pipeline or workforce</li> <li>- Demand spikes/risk if overconcentrated</li> </ul>
<b>Location Consensus</b>	<ul style="list-style-type: none"> <li>- Airport Park/Tech Center most cited</li> <li>- Near technical college, economic dev office, Chamber, highways, bus routes</li> <li>- 20,000 SF target; start with smaller pilot or temporary site</li> <li>- Alternative: downtown Brooksville for B2B businesses, revitalization</li> </ul>	<ul style="list-style-type: none"> <li>- Strong preference for Tech Center/airport area for visibility, land, infrastructure, stakeholder proximity</li> <li>- Consensus that location should support workforce and expansion, connected to transit and education</li> <li>- Some suggest leveraging vacant or underused existing structures first</li> </ul>	<ul style="list-style-type: none"> <li>- Overbuilding or poor phasing can create excess capacity</li> <li>- High up-front/infill costs if building from scratch</li> <li>- Wrong location risks lack of engagement or accessibility</li> </ul>

Dimension	What's Needed/ Preferred	Stakeholder Consensus/Commentary	Potential Risks/ Barriers
<b>Vision of Success</b>	<ul style="list-style-type: none"> <li>- Successful “graduates” with sustainable businesses</li> <li>- Measurable job creation, growing firms, expanded collaborations</li> <li>- Community/public awareness and pride</li> <li>- Partnerships with diverse stakeholders</li> <li>- 80% occupancy and program utilization</li> </ul>	<ul style="list-style-type: none"> <li>- Five-year goals include strong program engagement, clear business success stories, pipeline of founders/mentors giving back</li> <li>- Emphasis on actual usage (not just ribbon cutting)</li> <li>- Strong desire for visible, data-driven outcomes; not just facility</li> </ul>	<ul style="list-style-type: none"> <li>- Success depends on both utilization and actual business outcomes</li> <li>- Lack of early “wins” or stories could sap momentum</li> <li>- Past failed attempts increase skepticism if not incremental and transparent</li> </ul>
<b>Big Risks</b>	<ul style="list-style-type: none"> <li>- Funding gaps and lack of recurring operational revenue</li> <li>- Insufficient or episodic deal flow</li> <li>- Perception and resistance to non-grassroot approaches</li> <li>- Regulatory delays and political changes</li> <li>- Leadership vacuum / unclear champion</li> <li>- Underutilization</li> <li>- Failing to engage new generations or main street founders</li> </ul>	<ul style="list-style-type: none"> <li>- Risks highlighted in nearly every interview: funding, sustainability, leadership “ownership,” and slow build-out</li> <li>- Previous failures loom large and push for patience, local buy-in, and readiness</li> <li>- <b>“Don’t try to do too much too fast”</b></li> </ul>	<ul style="list-style-type: none"> <li>- Startup outpaces demand or resources, leading to empty space</li> <li>- County unwilling to fund ongoing ops</li> <li>- Potential leadership turnover or complacency</li> <li>- Community pushback if misaligned with needs or past failures</li> </ul>



## Appendix 4: Major Themes and Stakeholder Quotations/ Observations

Major Theme	Key Stakeholder Takeaways / Quotes <sup>27</sup>	Overarching Comments
<b>Community Desire &amp; Perceived Value</b>	<p><i>“We have so many locals with the drive to start a business, but they don't know how. It would be very beneficial to the community.”</i></p> <p><i>“People want a central hub...not another silo.”</i></p>	Broad consensus for an incubator as a “one-stop shop” and “support system.” Strong local desire and high conceptual alignment with economic development priorities.
<b>Funding Challenges</b> (Client & Incubator)	<p><i>“Funding is the single largest technical barrier, especially for operational sustainability and capital access.”</i></p> <p><i>“Founders can't get capital...micro-loan program like Pasco's is essential.”</i></p>	Funding is the #1 pain point; County funding is limited; sustainability is a primary risk.
<b>Prior Failures &amp; Community Buy-in</b>	<p><i>“Locals won't tolerate 'outsiders parachuting in' again. Credibility, local leadership, and clear communication will make or break this.”</i></p> <p><i>“They bought a historic building...locals didn't like outsiders running it.”</i></p>	Community buy-in depends on local leadership
<b>Startup Needs &amp; Support Gaps</b>	<p><i>“Structured mentoring and coaching need to be stronger and more consistent.”</i></p> <p><i>“They need more than anything a support system. This does not exist.”</i></p> <p><i>“Everyone bounces between Chamber, SBDC, SCORE, bankers, and coaches.”</i></p>	Clear consensus on need for practical programming, navigation, and centralized mentoring/support.

<sup>27</sup> Comments in blue are verbatim from either stakeholder interviews or the online community survey.

Major Theme	Key Stakeholder Takeaways / Quotes <sup>27</sup>	Overarching Comments
<b>Industry Focus &amp; Strategy</b>	<p><i>“Incubator should not be limited to specific industries but reflect the diversity of the local economy.”</i></p> <p><i>“Avoid putting all eggs in one basket-mixed-use with specialty tracks.”</i></p>	Emphasis on balance: focus on service businesses, manufacturing/aerospace, but remain mixed-use.
<b>Location Consensus</b>	<p><i>“Preferred location near Airport Park...plenty of available land, nearby technical college...”</i></p> <p><i>“Airport/Tech Center/College adjacency is the natural location.”</i></p>	Overwhelming agreement on Airport Park/Tech Center/College area; downtown as a secondary site.
<b>Vision of Success &amp; Metrics</b>	<p><i>“Graduates of the incubator program, public awareness, expanded partnerships and collaborations, new business creation.”</i></p> <p><i>“An incubator known and trusted - <b><u>a visible hub</u></b> actually used.”</i></p>	Success = active graduation of sustainable businesses, job creation, strong community engagement. <a href="#">See list of KPIs in main section of this report.</a>
<b>Risks &amp; Barriers</b>	<p><i>“Risks highlighted in nearly every interview: funding, sustainability, leadership ‘ownership,’ and slow build-out.”</i></p> <p><i>“Perception problem. Past failure + community conservatism = skepticism.”</i></p>	Risks flagged: Funding gaps, leadership vacuum, perception/political shifts, underutilization if not demand-aligned.

### Overall Assessment:

Hernando County’s ecosystem demonstrates significant readiness potential, drawing from credible and broad-based stakeholder input. The community expects an incubator to require steady local stewardship, piecemeal progress, proactive engagement, and solutions for capacity and capital challenges to advance from stakeholder support to operational readiness.

## **Appendix 5: Comparative Business Models & Approaches**

Hernando County’s Entrepreneur Assistance Center (EAC) is designed to be much more than just another incubator - it represents a new model for community-rooted, impact-driven business support in Florida’s emerging innovation landscape. Unlike large metro systems or legacy programs, the EAC blends the accessibility and flexibility of a single-site hub with a relentless focus on measurable results and local relevance (growing the hometown team).

What sets Hernando apart is its prioritization of founder teams and scalable ventures in high-impact sectors, such as advanced manufacturing, technology, logistics, and healthcare/biotech, guided by strong client screening and a commitment to community-driven success. The EAC stands out for its dedication to partnership and integration, connecting educational institutions, local governments, and private industries from the very beginning (a frictionless “one stop shop”)

The program’s uniqueness is made tangible through a clear set of success metrics: not only does it track business graduations and founder retention in the county, but it also rigorously measures the quality and quantity of jobs created (including wage and benefits growth), ongoing facility usage (targeting 80%+ occupancy), the depth of collaborative educational partnerships, and robust alums and community engagement for years after graduation. Stories of founder journeys, not just numbers, are woven into the EAC’s brand narrative - converting individual successes into a shared community asset.

As reflected in the comparative matrix that follows, the Hernando EAC is intentionally built for growth, responsiveness, and local pride. Its special advantage lies in its adaptability, transparent impact measurement, and intense focus on equity and practical outcomes—creating a support system that not only launches businesses but ensures they thrive in Hernando County for the long term.

<b>Category</b>	<b>Pasco County (2014 Strategy)</b>	<b>Hernando County (Proposed EAC)</b>
<b>Scale</b>	County-wide, multi-site infrastructure	Single facility launch, scalable for regional growth
<b>Core Vision</b>	Decentralized network, layered services	Centralized, flexible hub for growth-stage business support
<b>Target Segments</b>	Stage 1 & 2 firms, expansion startups	Founder teams and scalable firms with emphasis on advanced mfg, tech, logistics, healthcare/ biotech
<b>Service Delivery</b>	Broad: microloans, roundtables, research, education	Lean: workshops, mentoring, networking, technical assistance, & microloan program
<b>Funding Sources</b>	EDC, incentives, public and private investment	County, grants, public-private partnerships

<b>Category</b>	<b>Pasco County (2014 Strategy)</b>	<b>Hernando County (Proposed EAC)</b>
<b>Governance Model</b>	Public-private, “Collective Impact” model	Implementation committee; cross-sector board
<b>Infrastructure</b>	Multi-site incubators by sector/location	Single site (Sonlight) with intent to expand to vacant land
<b>Ecosystem Connectivity</b>	Strong regional ties to innovation hubs (education/workforce etc.)	Locally rooted, regional connections over time
<b>Cultural Strategy</b>	Entrepreneurial mindset: schools, mindset programs	Training-led, community networking, culture follows
<b>Metrics</b>	Business growth, jobs, ecosystem engagement	<ul style="list-style-type: none"> <li>• Number of businesses graduated/retained in county</li> <li>• Number of jobs</li> <li>• Survivability Rate %</li> </ul>

## **Appendix 6: Hernando County Business Incubator Feasibility Study Executive Summary (Public Inspection Copy)**

### **Overview**

The Hernando County Business Incubator is designed to provide workspace, targeted programming, technical assistance, advisory guidance, and coordinated support for startups and small businesses in priority industry segments (but not exclusively). The incubator will likely operate as a nonprofit, led by a cross-sector board including stakeholders from county government, education, business, and finance. It emphasizes measurable impacts, including firm creation, job additions, and business survivability.

### **Why Hernando Needs This Now**

- **Strong Community Demand:** 74% of surveyed local entrepreneurs and business leaders identified the need for an incubator “to a great extent,” reinforcing findings from in-depth stakeholder interviews and a gap analysis of current business support offerings.
- **Barriers to Growth:** Startups in Hernando frequently face limited access to affordable space, early-stage capital, and expert mentorship - challenges that the incubator directly addresses.
- **Ecosystem Building:** This facility will serve as a key platform to link schools, workforce partners, investors, and support providers - creating a unified environment to help businesses launch and grow.

### **County Assets – Current State**

- Hernando County offers existing entrepreneurial resources, including the SBDC, SCORE, college and technical training institutions, and a business resource center, available through the Greater Hernando Chamber of Commerce.
- Local infrastructure assets, including Brooksville-Tampa Bay Regional Airport, which supports logistics/industrial growth, and Wilton Simpson Technical College, which offers vocational and technical training, provide sector-aligned talent and site potential.
- A network of committed public and private partners (Chamber, banks, education, and workforce agencies) sustains a functioning support ecosystem and ensures broad resource availability.

### **Rallying Around a Community Vision**

This is more than a facility - it is a bold investment in Hernando County’s future. The Entrepreneurial Assistance Center will:

- ◆ Create high-wage jobs and pathways to upward mobility.
- ◆ Retain and attract talent by building an innovation economy.
- ◆ Encourage young people to start local businesses.
- ◆ Support underserved founders, veterans, women, and minority entrepreneurs.
- ◆ Cultivate a dynamic, inclusive economy for the next generation.

- ◆ Align the community around a shared goal and purpose of economic prosperity.

### **Proposed Segment Focuses & Target Market**

Industry targeting is based on community demand and economic development alignment, but is not exclusive (just preferential focus areas; however, educational programming should align with these sectors' commercialization needs and gaps):

- ◆ Advanced manufacturing, logistics, aerospace/space, and supply chain ventures.
- ◆ Biotech, healthcare, and life sciences companies.
- ◆ Technology (including software, e-commerce, and applications), as well as select service sectors such as construction trades, creative services, and franchise operations.

The incubator is structured for startups with 2-9 employees or companies with proprietary or technical advantages, emphasizing scalable, high-impact business formation, rather than focusing solely on proprietors, road warriors, or freelancers.

Programming and resources are tailored to address market-validated gaps in technical know-how, regulatory navigation, business leadership, and finance management.

### **Operational Considerations**

- ◆ **Facility:** A flexible, phased-launch 15-20,000 sq ft. Space with limited coworking areas, meeting rooms, private offices, and optional light manufacturing/maker zones; site scoring is data-driven on cost, visibility, industry fit, and readiness.
- ◆ **Membership:** Prospective clients/members should be evaluated based on the feasibility, marketability, and growth potential of their business (not a real estate/rental transaction, but rather the identification of members who likely need and can benefit from comprehensive business development services, shared services, and incubation-type support).
- ◆ **Business Model:** Financial sustainability relies on diversified income, including rent from tenants, program fees, grants, and sponsorships, rather than continued county subsidies.
- ◆ **Staffing:** The incubator will require core staff, including an executive director and a program facilitator/community manager, with partners or incubator staff providing technical and educational programming.
- ◆ **Governance Model:** A nonprofit structure with local leadership provides credibility, enhances eligibility for funding, and ensures operational transparency. Community reporting and impact KPIs are built into the management process.
- ◆ **Community Partnership Integration:** The delivery of education, consulting, and technical services leverages existing agencies to reduce service duplication and ensures comprehensive support for founders, aligning with the economic development strategy.
- ◆ **Economic Development Alignment:** The proposed incubator is positioned as a central, measurable driver for strategic business growth in Hernando County. It directly advances the region's stated priorities for workforce attraction, economic diversification, and cluster-based sector development.

### **What the Incubator Will Offer:**

- ◆ **Affordable Space:** Flexible offices, limited coworking areas, shared production zones, and meeting rooms designed to accommodate startups of all types and stages.
- ◆ **Mentorship & Technical Assistance:** Led by local professionals, entrepreneurs will receive guidance in finance, law, marketing, and operations.
- ◆ **Education & Training:** Workshops and programs to build business skills, with a focus on financial literacy, digital marketing, leadership, and regulatory compliance.
- ◆ **Access to Capital:** Partnerships with microloan programs, CDFIs, and investor networks to expand early-stage funding options.
- ◆ **Workforce Development:** Strong ties to local schools and post-secondary institutions to develop job-ready talent pipelines for resident companies.
- ◆ **Community Engagement:** Events, pitch nights, and networking activities to celebrate local innovation and grow Hernando's entrepreneurial culture

### **Significant Risks and Mitigation Plans**

#### **Funding and Capital Access**

*Risk:* Long-term reliance on county or public funding for operations is not sustainable; limited access to seed and micro-loan capital for startups.

*Mitigation:* Prioritize a diversified mix of grants (federal, state, private), earned income (tenant fees, programs), sponsorships, and establish a dedicated micro-loan/seed fund supported by local and regional partners.

#### **Leadership and Governance**

*Risk:* The absence of an empowered and credible executive director or a visible local champion could lead to slow execution, erosion of community trust, or ineffective management.

*Mitigation:* Early recruitment of a qualified, locally respected executive director with full operational authority. Establish a cross-sector board with clear accountability and a transparent public reporting structure.

#### **Community Buy-In and Legacy Distrust**

*Risk:* Past failed efforts cause skepticism. Failure to engage local stakeholders throughout planning and launch could reduce participation and long-term success.

*Mitigation:* Ensure authentic community ownership by prioritizing local leadership, communicating updates frequently, integrating trusted partners into decision-making, and providing transparent reporting on key milestones and outcomes.



## **Success Factors and Key Performance Indicators (KPIs)<sup>28</sup>**

Success factors and KPIs for the Hernando County Business Incubator and Entrepreneur Task Force programs are centered around measurable, outcome-driven benchmarks:

- ◆ Number of businesses graduating from the incubator and remaining active in the county, tracked through periodic follow-up.
- ◆ Quality and quantity of job creation, measured against wage benchmarks and alignment with priority sectors such as advanced manufacturing, healthcare, and technology.
- ◆ Achievement and maintenance of a minimum 80% facility occupancy rate, with program utilization tracked across all service types.
- ◆ Depth and frequency of collaborative partnerships, joint programs with education and workforce partners, and engagement of mentors and business experts
- ◆ Outreach, event participation, referrals, and client feedback measure levels of public awareness and stakeholder engagement.
- ◆ Continuous collection of participant and graduate feedback, economic impact data (such as revenue and local payroll contribution), and ongoing alums tracking to assess longer-term retention and success.

These KPIs ensure the incubator remains accountable to its mission of driving entrepreneurial success, workforce integration, and sustained economic growth in Hernando County.

## **High-Level Implementation Timeline**

The general go-forward plan for the incubator is summarized “at a high level” below:

<b>Phase</b>	<b>Key Actions</b>	<b>Estimated Timeline</b>
<b>Setup &amp; Mobilization</b>	Form fiscal sponsor entity, secure seed funding, recruit executive director, finalize site selection, activate public-private board. Complete business incubator business plan. Finalize funding stack for business incubator. Commence fundraising efforts.	Months 0-3
<b>Facility Preparation</b>	Negotiate lease or renovation, design and fit-out, install infrastructure, brand facility, initial ecosystem mapping and partner agreements.	Months 4-8
<b>Program Launch</b>	Open facility (phased or pilot), implement intake and navigation process, begin targeted cohort programming, activate mentorship and technical assistance.	Months 9-12
<b>Full Operations &amp; Review</b>	Reach full occupancy targets, expand programming, track KPIs, collect stakeholder feedback, annual review and adjust for improved outcomes.	Year 2 onward

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<sup>28</sup> KPIs should be evaluated and assessed periodically (annually to start) to ensure their alignment with the growth and focus of the program, changing economic activity, and consistency/alignment with the phase of development of the incubation program.