



**Date:** December 6, 2021

**To:** Wanda S. Page, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Andre Pettigrew, Director, Office of Economic and Workforce Development  
**Subject:** Memorandum of Understanding (MOU) with Built2Last Innovations Lab, Inc. for Organizational Planning Deliverables

**Executive Summary**

The City of Durham’s 2019 Strategic Plan adopted the goal of Shared Economic Prosperity to develop innovative strategies and programs to create a more inclusive, diverse, and equitable Durham economy. In 2019, the City also commissioned the Built2Last Roadmap (the “Roadmap”).

An important recommendation of the Roadmap is the creation of a non-profit entity to house the core elements of the Roadmap. Staff recommends the City enter into a binding MOU with the new non-profit entity, Built2Last Innovations Lab, Inc., to develop a business operating plan to fulfil the vision of the Roadmap.

**Motion**

To authorize the City Manager to execute a memorandum of understanding with Built2Last Innovations Lab, Inc. for organizational planning deliverables in an amount not to exceed \$416,350.

**Background**

The City of Durham’s 2019 Strategic Plan adopted the goal of Shared Economic Prosperity to develop innovative strategies and programs to create a more inclusive, diverse, and equitable Durham economy. In 2019, the City also commissioned the Built2Last Roadmap. The Roadmap is a business growth and development strategy to increase the success and capacity of local small minority and women-owned businesses and residents in Durham. This strategy seeks to grow the number, size, and success of these same businesses.

An important recommendation of the Roadmap is the creation of a new non-profit to house the core elements of the Roadmap, including an equitable development fund and a training center. Staff considers development of the Fund to be a high priority and what will make the new non-profit distinctive from other community organizations.

Built2Last Innovations Lab, Inc. is a private, independent corporation organized under North Carolina’s non-profit corporation statute for the express purpose of creating strategies and engaging activities to support small business development, equitable and inclusive development, and promote capital opportunities for small businesses, including training and procurement advising in order to generate wealth building opportunities for Minority Business Enterprises (MBEs) and Disadvantage Business Enterprises (DBEs) and creating jobs.

Built2Last Innovations Lab, Inc. has taken significant steps to develop its organization, including filing Articles of Incorporation with the North Carolina Secretary of State, being assigned a federal Employer Identification Number (EIN), establishing a corporate bank account, and filing for 501(c)(3) classification with the Internal Revenue Service.

### **Issues and Analysis**

Pursuant to the proposed binding MOU with the new non-profit entity, Built2Last Innovations Lab, Inc. will develop a business operating plan to fulfill the vision of the Roadmap. Built2Last Innovations Lab, Inc. will function as a community partner for the City's small business activities. Components of Built2Last Innovations Lab, Inc.'s approach include the development of an Enterprise Training Center and the Durham Compact, which complement existing City initiatives and City-funded programs.

Additionally, and more importantly, Built2Last Innovations Lab, Inc. will strategize the development of an equitable development venture fund, which is a unique undertaking in the City of Durham with transformative potential. Difficulty accessing capital to launch, maintain, and grow their businesses is a major hurdle for most minority and other traditionally under-represented entrepreneurs and business owners. An equitable development venture fund can leverage financial support from strategic partnerships forged with majority- and minority-owned banks, credit unions, community development financial institutions, and philanthropic organizations to create a more inclusive and equitable community.

Following execution of the MOU, the City will give Built2Last Innovations Lab, Inc. approximately \$180,000 to begin the Scope of Work. Built2Last Innovations Lab, Inc. is required to submit a five-year business and strategic plan within 75 days. The City will pay Built2Last Innovations Lab, Inc. an additional \$30,000 once the City approves the submitted plan. Built2Last Innovations Lab, Inc. is also required to produce a feasibility study regarding the equitable development venture fund within 180 days. The conclusions of the feasibility study will determine whether Built2Last Innovations Lab, Inc. is eligible for the remaining funds pursuant to the MOU.

Due to the novel nature of the equitable development venture fund of Built2Last Innovations Lab, Inc., the City's investment into the non-profit's business development and its exploration of the fund's feasibility serves a public purpose for the Durham community by promoting a more equitable and inclusive economy. The five-year business and strategic plan deliverable will enable the City and other potential investors to determine whether and how to continue to support this pioneering initiative in Durham.

### **Alternatives**

Council could choose not to authorize the City Manager to execute the MOU, which would impact the ability of the Built2Last Innovations Lab to fulfil the vision of the Roadmap. Council could also choose to authorize execution of the MOU in an amount less than \$416,350.

### **Financial Impact**

The amount proposed for this item is available in the City's and the Office of Economic & Workforce Development's FY22 departmental budget.

### **Equal Business Opportunity Summary**

This item was not reviewed for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

### **Contractor Workforce Diversity & Hiring Practices**

Due to the nature of this agenda item, obtaining Contractor Workforce Diversity & Hiring Practices information is not applicable.

**Attachments**

- Memorandum of Understanding for Organizational Planning Deliverables for Built2Last Innovations Lab, Inc.
- Exhibit A: Scope of Work