



# Innovation Hub - Refraction

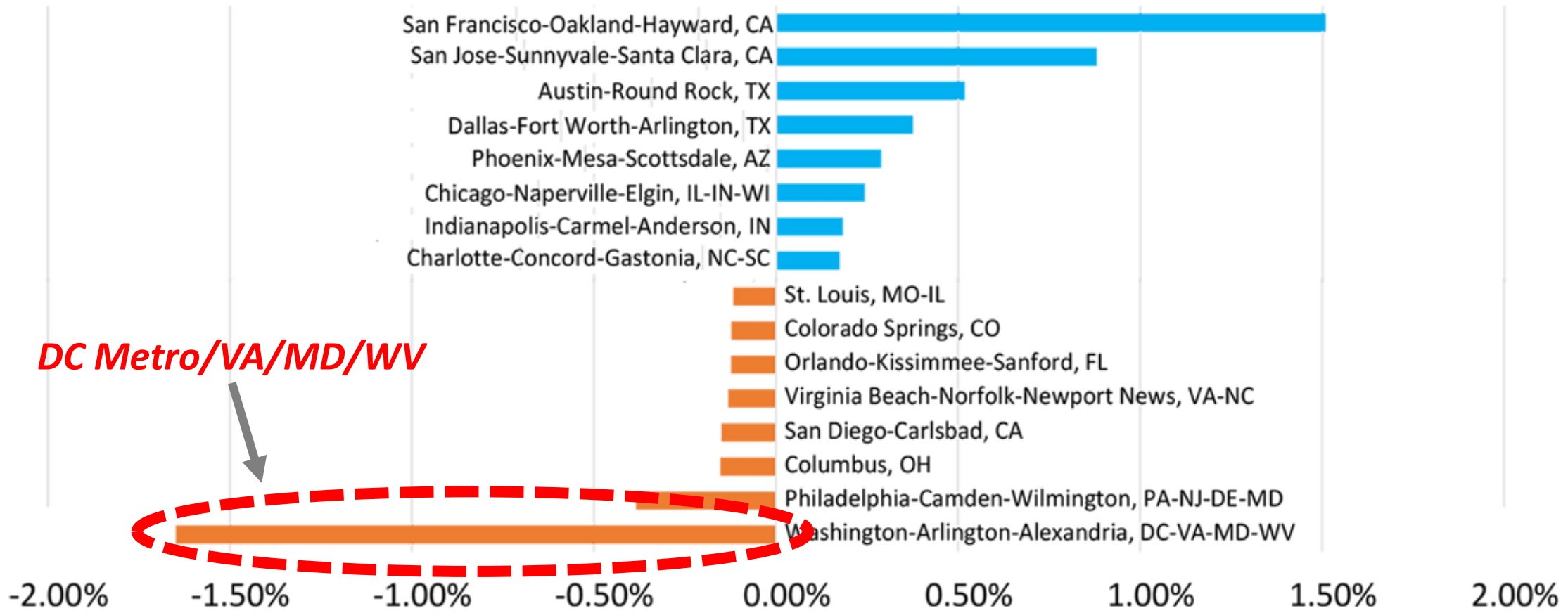
Budget Committee Presentation

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October 23, 2018

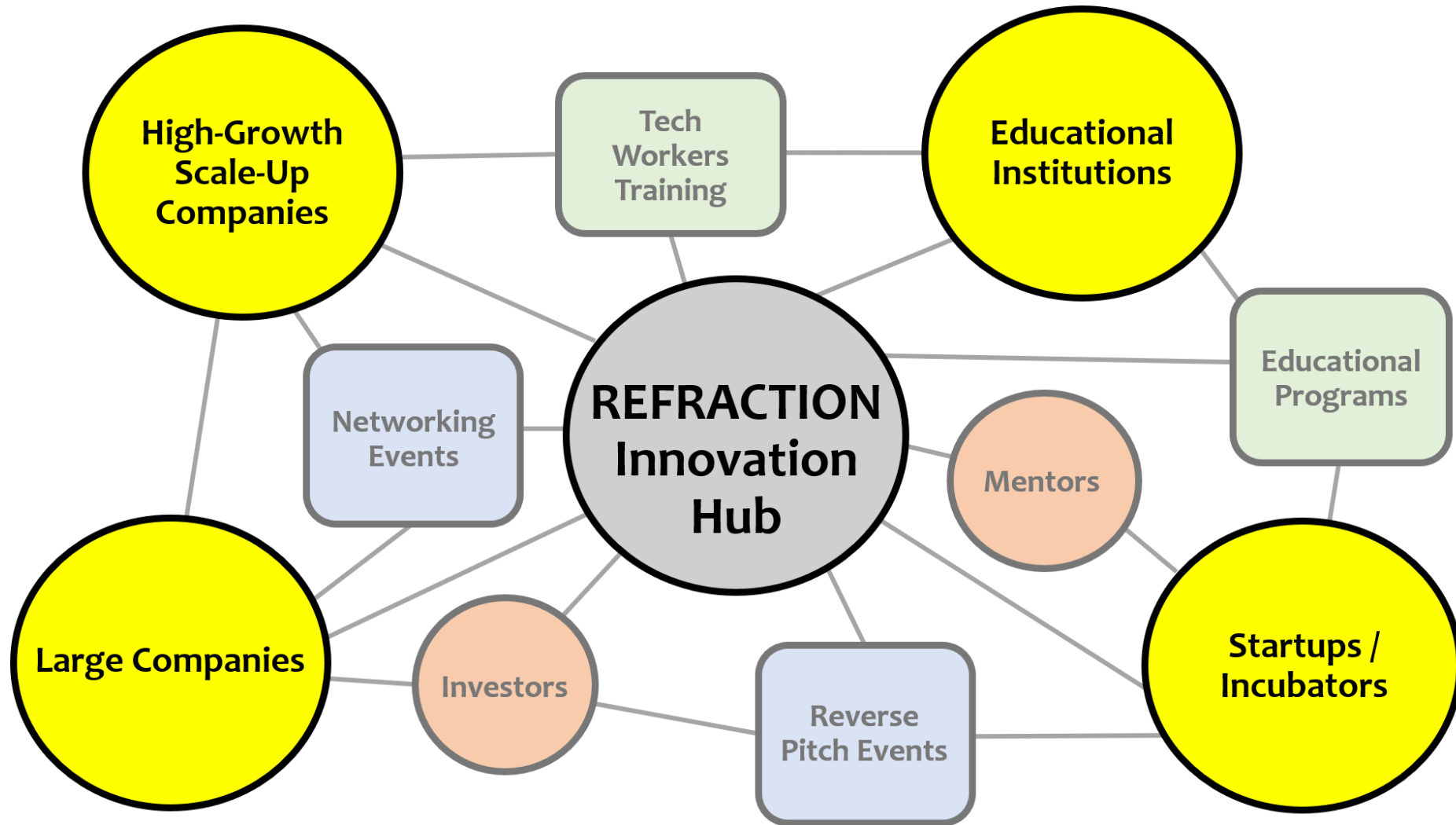
# Change of metros' shares of national digital services job total, 2010 - 2015

50 metros with largest digital employment in 2015



Source: Brookings Institution, "Tech in Metros: The Strong Are Getting Stronger"

# Strengthening the Innovation Ecosystem



# Successes to Date

- Participation of over 100 member companies
- Served over 260 individual members
- Raised \$126 million of investment capital
- Supported six successful company exits

# Services Provided

- **Expanded location space:** Create a vibrant space and community for entrepreneurs, technologists, mentors, and investors to connect and collaborate.
- **Opportunities for funding:** Create opportunities for funding and customers for member companies and the broader community.
- **Programming Events:** Present reverse pitch events, capital showcases, hackathons, and information sharing.
- **Individual Mentorship:** Vet and manage “best of breed” mentorship and advice from individuals with relevant expertise.
- **Corporate Partnership Engagement:** Collaborate with corporate partners in workforce development, mentoring startups, and promoting business development with locally sourced technology companies.
- **Workforce development:** Train and grow current and future technology workforce (in partnership with universities) across the county.
- **Equity commitment:** Provide training, internship, and apprenticeship opportunities for underrepresented students from Fairfax County Public Schools and local universities.
- **Community outreach:** Organize educational events on innovation and entrepreneurship, open to the public.
- **Non-profit partnership:** Provide free space and services to non-profit and charitable organizations.

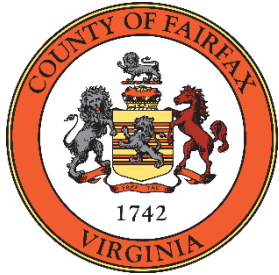
# Programs and Events

- Thought leadership events
- Networking events
- Pitch and reverse pitch events
- Startup-focused apprenticeship program, to be developed and launched in partnership with the Northern Virginia Community College
- Regional entrepreneurship competitions for high school and college students, in partnership with FCPS and local universities
- Internships, externships, and entrepreneurship training for underrepresented students and communities
- Mentoring program for startups and high-growth companies

# Benefits to Fairfax County

- Support startups and high-growth scale-up companies to **create high-paying jobs** and **further diversify our economy** (Economic Success Strategic Plan Goal 1)
  - In the last 40 years, nearly **all** net new jobs in U.S. were created by startups.
- Grow innovative companies that attract **strong talent and capital** from outside the County/region
- Strengthen the County's **innovation ecosystem** by bringing together startups, scale-ups, large companies, universities, FCPS, investors, and non-profits
- Build the County's reputation for innovation to attract more high-growth companies (e.g. Amazon, Apple), which will **increase tax revenues**
- Promote inclusive growth by mentoring and developing entrepreneurs from all backgrounds and training diverse talent (**One Fairfax**)

# Current Partners



*Refraction has **\$1.5 million** in matching funds (cash / in-kind) from corporate partners.*



# Requirements of Funding by Fairfax County

- Stay in Fairfax County for at least 5 years
- Report key success metrics annually:
  - Member companies
  - Jobs created
  - Capital raised
  - Tech workers trained
  - % of companies to stay in County post-Refractation
- Remain a nonprofit organization and provide audited annual financial statements
- Create internships, externships, and entrepreneurship training for underrepresented students and communities
- Partner to create additional innovation hubs within Fairfax

# Staff Recommendation

- **Support Investment Funding of \$1,000,000 to Refraction**
  - Funding used to expand Refraction presence in Fairfax to meet increasing demand
  - One-time capital expenses for tenant improvements and site control
- **5-Year Targeted Measure:**
  - 250 member companies
  - 800 jobs filled
  - \$200,000,000 in capital investment raised
  - Train over 2,500 technology workers
  - Retain 80% of companies within Fairfax County