



# Nez Perce Business Incubator Feasibility Study

Nimiipuu Community  
Development Fund

Facilitated by:  
Points Consulting

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# 1. EXECUTIVE SUMMARY

Entrepreneurs and small business owners have always required resources, knowledge, and access to markets. In metropolitan areas these essentials tend to be easier to come by but in rural areas ingredients such as office space, broadband internet, and capital are limited, let alone the equally important relational aspects of coaching, mentorship and community support. Native American communities face an additional hurdle, in that the private-enterprise system is usually weak and connections with markets outside the Reservation are under-developed.

The resiliency of local communities and economies was put to the test during the COVID-19 pandemic, as lockdowns created a variety of hardships for small and locally operated businesses. One positive outcome from this was that the Nimiipuu Fund discovered just how many entrepreneurs existed within the Nez Perce Tribal community. The hardship created an opportunity to build bridges with and between these small business owners, many of whom were operating fairly isolated “micro-businesses” out of their own homes.

Springing from this revelation was the Nimiipuu Fund’s concept of a Business Incubator, which could serve as the home for economic growth within the tribal community. The Incubator concept could provide an array of benefits including office space, retail space, artists co-op/gallery space, conference rooms, co-working space, business coaching, affordable training programs, and space for community and cultural events. Beyond all this, the Incubator would also tighten social and economic bonds leading to stronger cultural preservation among tribal members.

Based on this Feasibility Study, Points Consulting recommends that the Nimiipuu Fund seek to develop the Business Incubator. To be successful, the Incubator will require persistent and patient leadership on behalf of the Nimiipuu Fund and other leaders within the Nez Perce community. The Nimiipuu Fund must raise the necessary funds to support the development of the Incubator building and programming. At the same time, leadership must guide those with commercial interests to see themselves as entrepreneurs, and to invest the time and energy required to grow their businesses.

Based upon the financial analysis, the Incubator is estimated to cost \$2.17M for initial building and outfitting. Once up and running the Incubators’ annual expenses would run in the range of \$280K. The Incubator would earn some revenue, likely in the range of \$21K, but it would require considerable subsidies from government and philanthropic organizations. Receipt of a BIA’s Indian Business Incubator Program (IBIP) grant in the amount of \$245K/year would help considerably, but other sources are also needed.



**\$21K**  
Revenue



**\$280K**  
Annual Expenses



**\$2.17M**  
Initial Building  
and Outfitting

## 2. INTRODUCTION

Points Consulting (PC) in partnership with the Nimiipuu Community Development Fund are pleased to present the Nez Perce Tribe with this Nimiipuu Business Incubator Feasibility Report.

Points Consulting wishes first to thank The Nimiipuu Fund for accepting our project team to conduct this study, navigating how to approach this concept, and providing the flexibility and generosity of assistance in meetings, events, and communication.

We are also grateful to thank the Nez Perce Tribe and community members for providing feedback, interviews, and conversations concerning this project with open and honest responses. The project team is grateful for the roughly 30 to 40 people who came to the in-person town hall, the 16 of those who attended the virtual town hall, and all 187 who partook in the paper and online survey. This report consummates seven months of thorough socioeconomic research, evaluation, best practices, and community engagement on behalf of Points Consulting's project team. During this process, the projects Steering Committee supplied valuable guidance, information, and coordination with community and tribal members.

This report is organized by the following chapters:

- III: Business & Management Plan
- IV: Peer Review
- V: Socioeconomic Analysis
- VI: Financial Capacity & Sustainability
- VII: Community Engagement Summary
- VIII: Potential Incubator Locations
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**JONELLE YEAROUT**  
Executive Director



**GEORGE MOODY**  
Loan Officer



**NATASHA EDWARDS**  
Loan Officer



**SIDRYN SAM**  
Office Support Associate





### 3. BUSINESS & MANAGEMENT PLAN

#### Mission, Vision, and Values

It is important that the Nimiipuu Fund knows precisely its audience and purpose for the Business Incubator. As a work in progress, PC recommends the following:

*The Nimiipuu Fund Business Incubator is focused on stimulating and nurturing economic growth among entrepreneurs, small businesses, and microbusinesses within the Nez Perce Tribal community. Through this growth the Incubator will tighten social bonds and facilitate cultural preservation.*

Participation in the Business Incubator is highly engaging for both the Nimiipuu Fund staff and participants. Success of the program will require the time, passion, and commitment of participants. Contrary to the perception of some, an incubator is more than just “cheap office space.” Participants are expected to pay modest fees for the valuable programs, services, and space the Incubator will provide. Though some people will participate to a greater degree, the Business Incubator is committed to improving economic opportunity and prosperity for members of the Nez Perce Tribe.

The Nez Perce Tribe is brimming with people using their talents for small scale commercial pursuits. Most of these individuals would label these ventures as: hobbies, arts and crafts, side-hustles, or simply “making ends meet.” Some will always keep their pursuits at a similar scale. Others are nascent entrepreneurs who have simply never thought of themselves in those terms. They lack a combination of guidance, mentorship, education, market access, capital, and space for running their business. In short, they have all the talent, but have previously not had the inspiration to be an entrepreneur. All of the materials and programs of the Incubator are focused primarily on fueling that inspiration, which will carry these aspiring entrepreneurs on to success.

*Imagine ten businesses employing sixteen people are operating out of the Incubator. Their success would stimulate demand for countless other businesses. Whereas previously there may not have been enough opportunity for many professional roles in the tribal community, these businesses may accumulate enough demand to support new jobs such as accountants, graphic designers, and social media/marketing advisors. When multiplied by ten, the effects start to encompass other professions such as software developers, realtors, and engineers.*

Leadership of the Incubator should see themselves as the preservers of culture for the Nez Perce, and the leading edge of private enterprise development within the community. Many initiatives with seemingly similar aims could creep into the scope of the Incubator and water-down its focus. However, if the Incubator becomes “all things to all people” it will fail at its primary goal. Success of the Incubator will in all likelihood, induce many other community needs which other for-profit and non-profit entities could address.

Leadership of the Nimiipuu Fund will need to train themselves to repeat the phrase “that is a great idea for someone else in the community to take on.” Some related concepts could include job attraction, job training, food service, commercial real estate for larger scale businesses, and so on. Incubator Leadership should maintain strong relationships and clear lines of delineation with other entities working on similar issues, so that these adjacent issues are identified and directed to the proper channels.

## Communication & Community Impact

As with many low-income communities, a perception exists among some tribal members that economic success is achieved at the expense of other tribal members. This critique is expressed more in tones and attitudes than in outright statements. The Nimiipuu Fund will need to address this concern with an approach that emphasizes the multiplicative rather than exclusionary nature of economic development.

## Conceptual Background

In 2003, a study done at the University of Arizona’s Native Nations Institute, in partnership with Harvard University’s Native Nations Institute and Harvard Project on American Indian Economic Development, identified key elements of “nation building” and models for a self-determined social, political, and economic development in Native communities.<sup>1</sup> Specific key elements identified included:

- *Self-rule*: Having genuine decision-making power in one’s own affairs. If excluded from decision making one is not held accountable for outcomes but is responsibility if involved, and performance improves appropriately.
- *Capable institutions of self-governance*: Backing up self-governing power with efficient governing organizations that stay within their own checks and balances.
- *Cultural match*: Formal organizations should fit the community’s concepts of how authority should be organized and implemented.
- *Strategic orientation*: Answering the question: “What kind of society is being built in the long term, and what are the decisions to be made in the present to support objectives?”

The research showcased successful nations placed ‘nation building’ at the top priority on agendas. Although the research report is not related to development of business incubators, as we will identify in the below Peer Review Chapter. The following examples are a select few Nations and Tribes from the report that demonstrate one or multiple elements

**“Chief Martin’s determination played a major role. He said: ‘No one told me I wasn’t supposed to succeed.’”**

<sup>1</sup>Cornell, Stephen, Miriam Jorgensen, Joseph P Kalt, and Katherine A Spilde. Seizing the Future: Why some Native Nations Do and Others Don’t. PDF file., October 2003. <https://hpaied.org/sites/default/files/publications/Seizing%20the%20Future%20FOR%20PUB.pdf>.

of the 'nation building' model that the researchers defined above.

The first example, which demonstrate all nation building elements, is the Mississippi Band of Choctaw Indians. In 1978 Chief Phillip Martin achieved success in reaching major business to consider or have interest in business development in their community. He spent three years and sent over 500 proposals to bring the economic expansion to the Choctaw lands. During those three years he began training current and up-and-coming workers to better their skills, updated infrastructure, and correct social issues. From the persistent and positive actions to better the Nation, the community had mitigated unemployment. Their employees work on the reservation with non-Indian companies, but the facilities are owned by the Tribe.

An example of 'Self-rule' and 'Capable institutions of self-governance' is highlighted by the White Mountain Apache Tribe of Arizona, which in the 1960s took action to detach themselves from the Bureau of Indian Affairs (BIA). The tribe informed federal officials they were not needed at the tribal council meetings and could only attend via an invitation. Communication to the BIA was only needed at the Tribe saw fit. The push for sovereignty let the Nation develop two decades of economic growth on its own. The example of 'Self-rule' is to not persuade other Nations and Tribes to detach from the BIA, however relationships and development are situationally based for each group and are decided from conversations and planning from Tribal Council.

The third example, which consists of themes of 'Cultural match' and 'Capable institutions of self-governance', comes from the Confederated Salish and Kootenai Tribes of the Flathead Reservation. In 1980 the tribe reformed their tribal government in order to alleviate the rule of law and professional management. Over time the group took their own control on the U.S. Government ruled institutions on the reservation and resulted in an effective tribal government. The private sector

**"The tribe's S&K Electronics operates under multi-million-dollar defense and civilian contracts at the frontiers of electronic technology and is one of the fastest growing electronics firms in the United States."**

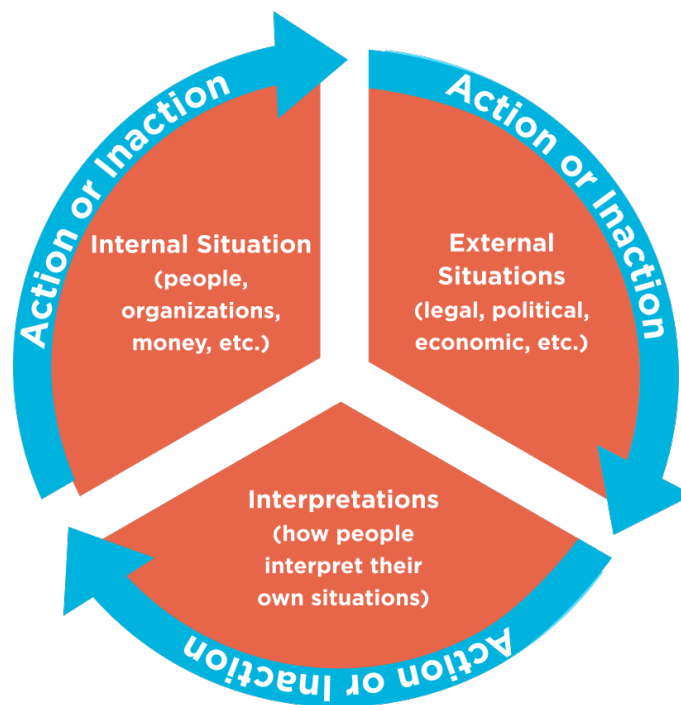
that developed within the lands and owned by tribal members exceeded other tribes and U.S. reservations. Notably the Tribe established their own electronic firm, S&K Electronics, which operates from million-dollar defense and civilian contracts.

Lastly, between the 1980's and 1990's the Native Community of Akiachak, Alaska made their decision to regain ownership of land, education, institutions, and other services under the federal government. These actions fall into the elements of 'Strategic Orientation' and 'Self-rule.' They established their own court, reorganized the structure of their government to aid in performance, built new relationships with

other Yup'ik communities, and much more to better serve the community. They set the path for Alaska Natives to better their communities and balance political power.

From these examples and few others, the researchers then determined a model which showcases the interaction between the key elements, type of situations communities may currently face, and depending on the situations if action or inaction should take place. The model described is showcased below:

**Figure 1: Nation Building Model of Action**



The model explains a loop between action or inaction, which both have positive or negative impacts depending on action type and the situation. Before actions are taken, it is recommended to work through a six-step process, as described below:

1. Identifying if something is wrong and what that problem/issue is.
2. Understanding things can be different.
3. Knowing it's up to us to change things.
4. Believing we can change things.
5. Organizing what needs to be done.
6. Deciding to act.



The exemplified success stories, steps and process showcases some of the many ways First Nations and Tribes begin their own paths into development to address the needs and wants of their people. Much like the Nimiipuu Fund providing resources and knowledge of grants, loans, and assistance it is one of many ways Tribes take action and guided steps to continue the success of their communities.

## Programs, Policies, and Governance

The following sections outline some of the common issues and topics that Incubators will address in their usage guides and contracts with tenants. PC has customized these concepts to fit the context of the Nez Perce tribe, but these will need to be fine-tuned by the Incubator Board. In particular, the Board will be aware of any unique cultural issues that would need to be addressed in Incubator policies.

### Unique Cultural Considerations

As noted, a few cultural issues unique to a Tribal context will need to be determined based on the guidance of the Board of Directors. One key issue, for example, is the presence of children at the Incubator. In typical business settings, children are seen as a distraction and discouraged from spending time in offices. Among the Nez Perce, however, many business owners have overlapping life and business



responsibilities, and also see the family as part of the business with them. In this case, therefore, the Board will need to determine to what parameters to place on these circumstances and, in particular, what areas and hours will be restricted from children's attendance.

Another issue worth discussion at the Board level is policies on non-Native American identifying persons use of the Incubator. As noted in Chapter 3, Native population is strongest in Lapwai but is less pronounced in other areas of the Reservation. If roughly three-quarters of the population living in Reservation territory is non-native, the Incubator will certainly attract interest from non-natives, probably sooner rather than later. Nez Perce Tribe and the Nimiipuu Fund will need to determine policies on such situations.

## Client Selection & Business Assistance Policies

Client selection is the process within an incubator program of selecting businesses for inclusion. While the community does not have a large array of businesses, the Incubator would be in best interest to onboard microbusinesses that match and respect the culture, community visions, and current available resources.

A thoroughly designed business screening process can uncover more startups and small businesses with strong economic potential and community development. This



in turn can generate more attraction of other entrepreneurs in the region. It is notable that there are not any intentions to discourage or exclude any entrepreneurs and business ideas. However, prior to individuals agreeing to the tenant leasing policy and workshops, we advise the importance of communicating the necessity of performance check-ins and the resources that will be used to develop the passion into a concrete business.

## Tenant Leasing Policy

The Business Incubator's staff must focus most of its time and resources on serving tenants who fit within its mission statement and goals, namely, those who recognize themselves as small business owners and who want to grow their businesses. Other audiences will certainly benefit from the Incubator but should not get equal access to services.

Paying users will agree to signing a terms of use agreement that stipulates what services they are entitled to and which services may incur additional fees. The Nimiipuu Fund will likely want to differentiate its tiers of services and come up with titles for each group. A recommended distribution of user types includes the following: members, tenants, and guests. To define these audiences further:

- Members: people who are renting office or co-working space, and who are officially enrolled in Incubator programs. Members will not only have access to these services but will also be expected to attend and utilize them.
- Tenants: people who are paid users of a co-working space. Typically, these users would have access to the space they are renting, and all communal areas. They

would not have access to Incubator services, in general, though they may be permitted access to a certain number of classes or have access to Incubator coaches and specialists for a limited number of hours per week.

- Guests: people who are simply visiting the facility for special events and meetings; only provided access to common areas and areas specific to their visit. Though guests may be permitted a “sneak peek” into the offices and co-working space it is important for workflow and focus to keep such interruptions to a minimum.

Policies will need to be managed related to use of certain scarce Incubator resources among these including internet, printers, and conference rooms. The extent of these policies would be in the “good neighbor” variety. When somebody is throttling the broadband, it could make it hard for others to run their business. When somebody uses but does not book a conference room, it becomes inconvenient for users who have meetings with customers and external visitors at a scheduled time. When somebody uses up the printer paper and toner for purposes unrelated to their business, other users will not have access when they need it.

### **Performance Monitoring**

The project team recommends that Nimiipuu Fund pursue and establish a partnership with Initiative of using their services for workshops and classes for the Incubator tenants. The built-in checkpoints depending on the business or startup level is determined by the tools within the system, as well as preliminary interviews with the Tenants and coaches at the Incubator. To keep in mind when implementing tools, workshops, classes, etc. to also establish appropriate system of measurement and milestones for the tenants in order to generate motivation, incentive, and circulation of best practice knowledge<sup>2</sup>. During the beginning processes of tenant leasing and Nimiipuu workshop agreement, we recommend providing a transparent and detailed overview of the services provided at the Incubator, expectations of performance and resource usage, and reasoning of methods and sources used to educate and grow the tenant’s business idea or current businesses. If needed, to provide additional time during the meeting to answer initial questions and assist a clear understanding of services.

### **Tenant Graduation Policy**

Though relatively broad, it should be emphasized that primary users would not include large or well-established businesses, or the recruitment of large and well-established businesses. Such tenants would be better served at a commercial space with fewer services, classes, and amenities. Another of the phrases that Incubator Leadership will need to engrain and repeat saying is “Your business has grown and we are thrilled for you! Now it is time to move on to a different space and make room for other aspiring entrepreneurs.” Over time, the graduation of multiple tenants from the Incubator will stimulate demand and growth among other sectors, including commercial real estate.

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<sup>2</sup> Wadhvani Foundations, Guidelines- Metrics & Milestones For Successful Incubator Development, [https://www.aspeninstitute.org/wp-content/uploads/files/content/docs/resources/A%20White%20Paper\\_Metrics%20%20Milestones%20for%20Incubators.pdf](https://www.aspeninstitute.org/wp-content/uploads/files/content/docs/resources/A%20White%20Paper_Metrics%20%20Milestones%20for%20Incubators.pdf)



Recent research indicates that an average duration of incubation for participating businesses is one to three years.<sup>3</sup> Publicly supported incubators tend to take even longer, with most tenants requiring 37 to 60 months to graduate. It must be kept in mind that much of that time would not be periods of active coursework and mentorship, which would mostly be concentrated within the first six to twelve months of incubation. That said, there is nothing sacrosanct about a specific period of time, it's more about hitting pre-determined benchmarks of success. The Board of



the Nimiipuu Incubator will need to determine particular programming requirements and timelines, but the guidelines listed here should be expected for a high performing organization.

Tenant Graduation is the term used when a client's business is maturing to a point in which they no longer need services provided by the business incubator and are equipped to lease/own their own facility. Once tenants have received the necessary training, education, technical assistance, marketing and sales development, and networking skills they will demonstrate their understanding to be suitable for graduation. It is preferable to use benchmarks other than time for setting expectations for graduation, such as revenue, number of customers, etc. Incubator leadership can help determine these with members at the outset with Incubator members.

## Marketing Plan

The Nimiipuu Fund already has established marketing for their financial and business lending services which will be useful leverage for the development of the Incubator. This existing reputation will also help increase its reach with up-and-coming entrepreneurs. The Nimiipuu Fund currently offers free social media promotion for small businesses on their own platforms<sup>4</sup>. In short, the Nimiipuu Fund has a strong local brand and reputation which will serve as a launch pad and an inspiration to businesses to be located in the Incubator.

<sup>3</sup> UBI Global, "World Benchmark 19/20 Report,"

[https://www.researchgate.net/publication/338937087\\_UBI\\_Global\\_World\\_Benchmark\\_Report\\_2019-2020](https://www.researchgate.net/publication/338937087_UBI_Global_World_Benchmark_Report_2019-2020)

<sup>4</sup> <https://NimiipuuFund.org/wp-content/uploads/2021/04/NimiipuuFund-Annual-Report-2020.pdf>



As previously noted, the Nez Perce Tribe has many micro-businesses owners, but the concept of entrepreneurship is not well understood or revered within the culture. One of the primary challenges in achieving adoption of the Incubator will be in providing examples of successful Native business owners. To increase participation in the Incubator and its programs, PC recommends that the Nez Perce Tribe engage one or more successful native business owners to serve as spokespersons for the Incubator. The spokespersons should be Native men and woman who have launched one or more businesses that have been commercially successful, in part because of their unique values and perspectives as Native Americans.

These spokespersons could be leveraged for multiple forms of marketing including videos, print media, billboards, signs, and even occasional speaking engagements. These spokespersons do not need to reside locally. Ideally, the spokespersons would be Nez Perce members, but this is not essential.

Consumer trends have shifted over the past several decades to place less emphasis on price and convenience and a higher emphasis on the values and history embodied by the brand. In response, many businesses have embraced the power of sharing their business' unique origin story with consumers. Examples abound from both big businesses such as Starbucks, to boutique brands such as Burt's Bees. This trend favors Native entrepreneurs, particularly those with consumer facing products in the realm of food, arts and crafts. Not only is the entrepreneurs' Native heritage interesting to consumers, but many buyers are also willing to pay a premium to support it. Native entrepreneurs also embody the example. Grand River Enterprises manufactures tobacco products and is the largest private indigenous owned company in the world.<sup>5</sup> Professional services entrepreneur, Roxy Schescke, prominently features her Native heritage on the website for Indian Eyes LLC.<sup>6</sup>

**Not only is the entrepreneurs' Native heritage interesting to consumers, but many buyers are also willing to pay a premium to support it.**

Entrepreneurs in the Nez Perce community may not have a following of thousands or even hundreds, but the same practices can occur on a small scale. Retail and food service businesses should recognize the unique market power that they have in this regard and push to make their Native heritage part of their story. . The importance of sharing one's own story is particularly important when mainstream media is known for both marginalizing and homogenizing stories from minority providers.

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<sup>5</sup> Grand River Enterprises, About Us, <https://grandriverenterprises.com/>

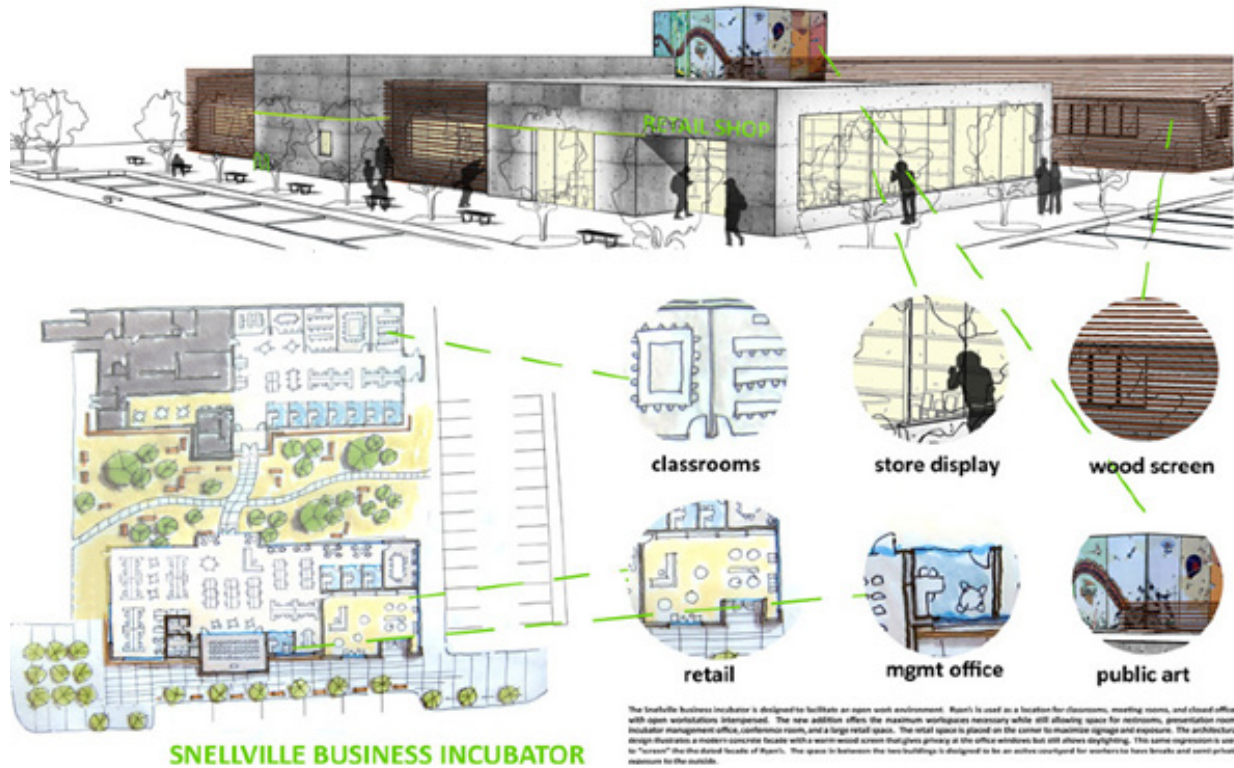
<sup>6</sup> Indian Eyes LLC, About Us, <https://www.indianeyesllc.com/roxie-schescke/>

## Incubator Features

At each stage of community engagement PC focused on gauging the community's interest in the type of Incubator space that should be developed. Much of this research is reflected in PC's survey summary in Chapter 7: Community Engagement Summary. At times, the team presented layouts of various Native and non-Native Incubators from across the country to stimulate thoughts and ideas about potential features (such as those shown in Figures 2 and 3). Our team was also careful to point out the realities of space and financial limitations, which prevent the facility from hosting all forms of businesses simultaneously. Certain building uses are mutually exclusive of other uses. It would not be compatible for a bakery to operated directly next door to an auto mechanic, for example.



**Figure 2: Example 1 Business Incubator Layout**



Source: Nicole Seekely: Architecture + Design, Snellville Business Incubator, cargocollective

**Figure 3: Example 2 Interior Business Incubator Layout**



LSICI Additions, Kimberly Pate Consulting, Painted Skye Management and Grass Consulting, EDA Lower Sioux Intergenerational cultural incubator Feasibility Study Report 2018



Considering these factors and resources, PC developed the following recommendations on distribution of space. The amounts listed are based on the assumption of a 12,000 square foot (SF) sized building, which is roughly the square footage of a retail drug store (e.g. Walgreens, or Rite Aid)

- Retail space: 30% | 3,600 SF
- Coworking space: 20% | 2,400 SF
- CDFI offices: 15% | 1,800 SF
- Arts & Crafts Studio: 13% | 1,560 SF
- Communal areas (hallways, bathrooms, servers, utilities, etc.): 12% | 1,440 SF
- Shared space (reception area, kitchen, three conference rooms, copy room, etc.): 10% | 1,200 SF

Missing from the list are several other facility amenities that were discussed among community members but were not among the top priorities including: private office space, commercial kitchen, industrial/flex space, food service/restaurant space. The decision to exclude these options are not because they are bad ideas but simply out of an interest of staying oriented on the highest and best use of the facility.

These values are likely somewhat dry and non-inspiring when recorded in a bulleted list, but there are many design options within these parameters are sure to inspire and motivate the community. If approved by the Nimiipuu Fund, PC recommends these rough distributions be taken to an architecture and design firm who can provide a more specific building layout and master plan.





## Facility Space Distribution

A bit more should be mentioned on the specific elements related to these various aspects of the Incubator. Though some audiences are familiar with these concepts, they aren't common knowledge for audiences living in rural areas. This section also outlines how the variety of spaces would share the same space without conflicting with one another.

**Retail Space:** two cottage industries came up routinely in our assessment of demand: cultural arts, and homemade arts and crafts. These two industries likely compose the largest proportion of small and micro-business owners on the Reservation. PC recommends that the retail space be divided into small sub-parcels no more than 300 SF in size. At that rate, ten to 12 individual retail stalls could fit into the Incubator. The reason for small spaces is three-fold. First, small businesses do not have a tremendous amount of product so they do not need a lot of space. Second, a series of many small businesses will be appealing to shoppers looking to purchase authentic Nez Perce goods directly from the source. Third, the small size will provide natural pressure for larger businesses to vacate the space once they have achieved a certain amount of success and inventory.

**Coworking/Hot-desk Space:** Coworking space is ideal for any number of professionals and businesspeople who need a combination of a focused workspace, and still crave an innovative and social environment. Coworking spaces have grown at a radical pace over the past decade and were propelled forward by COVID and work from home revolution. In that process, patterns and etiquette have been established that are proving to be a successful pattern for most businesspeople. At the Incubator, PC recommends the co-working policies be established to accommodate both longer term tenants (i.e.: monthly) as well as users who wish to stop in on a day-to-day basis (i.e.: hot-desk users).

The key ingredients for a coworking space include strong broadband internet, access to a common printer, and access to one or more conference rooms that can be used for private calls and meetings. Those utilizing the common spaces will sometimes socialize, but largely be focused on their work (and often using noise cancelling headphones). Typically, the coworking space is furnished with tables, chairs, couches and other common office furniture but users need to bring their own computers, monitors and other such equipment.

The strategic placement of communal areas such as copy rooms, coffee bars, and kitchen/break rooms, will also provide a space where coworkers can be free to socialize and share ideas. That said, businesspeople who are on video calls or on the phone for extended periods of time, can be distracting to other members, and policies may need to be created to discourage such tenants from using the space.

**CDFI Offices:** At the least, the Executive Director and assisting staff of the Incubator will need to have offices on-site. If possible, it would also be advantages for all Nimiipuu Fund staff to have an on-site presence. There would be a natural overlap

and synergy between the Incubator and other activities and services to be offered by the Nimiipuu fund. However, it in the event that space is too tight to fit all possible uses, non-Incubator staff of the Nimiipuu Fund may need to retain office space elsewhere.

**Arts & Crafts Studio:** Many Nez Perce artists face the challenge of running their arts and crafts businesses out of their homes, a situation that is not conducive to focus and growth. The Arts and Crafts studio would come equipped with tools and supplies that are common to Nez Perce artists such as easels beadwork and jewelry making tables and tools, variety of woods, plywood, and metals. Given the lack of arts retail stores in the region, the Incubator also has the opportunity to sell many of these materials, at an affordable cost with a reasonable built-in mark-up.

Users of the studio would be provided a locker for storing their private articles and supplies when not using them but for ongoing works, the studio would have a “work in progress” section. Artists would also be expected to clean up after themselves after use. Another important policy on this front is that the studio is not a space for long-term storage. Finished works will be put on display in the retail space, taken home, or into another off-site storage location.

**Common Areas** the 12% set aside for communal area is a fairly typical distribution for commercial buildings. These are not the exciting part of a building, but they are necessary for logistics and safety.

**Shared Space** shared space is not to be confused with the co-working space, which is the area designated specifically for individuals to work. Shared space will be all the necessary areas that members and users will need to access other than their workstation, including kitchen, coffee bar, copy/print areas, and a reception area and waiting room.

### Space Partitioning

Retail space is designed to attract customers on-site, unlike the other “back office” aspects of the incubator. From a design standpoint, the facility architect will need to make recommendations on how to manage parking, and foot traffic to accommodate both audiences.

**Thought will need to be put into how to divide the retail and office aspects of the Incubator. That said, visitors and consumers will find the opportunity to peer into the “origin story” of member retail businesses interesting, so these aspects of the building should not be completely separated.**

PC’s suggestion is separate entrances for retail business customers compared to Business Incubator visitors and members. That said, being able to see into the Incubator may be part of the aforementioned “origin story”, that would be appealing to consumers. For that reason, the designer may suggest strategic use of windows and overlooks into the Incubator and Arts & Crafts space in order to maintain a connection between these separate parts of the building.

## Incubator Programs

PC's research via focus groups and the community survey indicates high demand for education on business and entrepreneurial related topics. The following is a short list of topics that would be of highest interest to tribal members:

- Paying and Filing Taxes as a Native-Owned Business Entity
- Using Social Media
- Using E-Commerce
- Using “Your Story” in Your Arts & Crafts Business
- Bookkeeping and Accounting
- Using Microsoft Suite (Outlook, Excel, Word, Power Point)
- Selling at Public Markets
- Business Economics
- Management and Leadership
- Developing a Business Plan

Many of these courses could be packaged together into a “Basics of Running a Business” curriculum and organized to form certificates at certain milestone points. Having multiple business owners take courses simultaneously will allow for the development of cohorts which can both hold each other accountable and encourage one another. Milestone points should be celebrated with community parties, which will not only encourage the participants to continue but also stimulate interest from others in the community.

These topics are also rich enough that courses could be organized sequentially based on complexity (101, 102, 201, etc.). At all points, the Nimiipuu fund needs to maintain focus on stimulating success in the marketplace, as such, milestones may also blend in aspects of business success. Milestones on this front could include any of the following: obtaining an EIN number, first \$10,000 in sales, first \$100k in sales, launching a website, closing a deal with an off-Reservation client, etc.

Courses could be offered either in-person or via subscription services. One such example includes the Initiate program, which has been used by several Native Business Incubators throughout the country. Initiate allows individuals or group programs navigate their site to establish courses, connect to trainers, customize their goals and methods of learning, and keeps track of progress and understanding for each type of course selected. The program covers each step of business on their way to success from foundation through expansion after launch. Startups and business can customize their Initiate dashboards, and based off the most recent searches or courses, it also routinely recommends lessons or educational pieces to expand current knowledge of the topic.

The online dashboard is user friendly, and they provide video tutorials of explaining how to navigate and what to expect from the site, and for those who may not prefer electronic work, tools and examples are available to print to be done by hand. Whatever the selection, Nimiipuu Fund leadership will need to manage the responsibility of offering classes, tending the building, mentorship of members and many other tasks. Some courses can be managed via pre-recorded video and others

via remote Zoom meetings, but to maintain energy and proactive engagement some live classes will need to be included.

Prior to launch, the Incubator should float the list of approved topics among tribal leaders and others in the tribal business community in order to fill out a list of instructors. Additionally, for both Nimiipuu Fund leadership and tribal leaders to understand there is required flexibility to readjust programs which is steered by local needs to maintain vitality and effectiveness of the facility in an efficient manner<sup>7</sup>.

There are several national and regional organizations with similar and overlapping missions that can serve as allies as the Incubator develops its curriculum and programming including the following:

- The [National Center for American Indian Enterprise Development](#) – which focuses on helping Native owned businesses secure federal contracts, and also partners with the SBA in educational programming.
- [American Indigenous Business Leaders](#) (AIBL)- which focused on leadership development, higher education scholarships and internship alignment
- [The American Indian College Fund](#)- focuses on supporting degree and certificate attainment among fields such as broad as Computer Science and Environmental Stewardship
- [Northwest Indian College](#)- has an existing relationship with the Nez Perce tribe and offers three bachelors and two associates degrees programs remotely.
- [LaunchNW](#)- newly developed program by the Innovia Foundation, focused on providing “last dollar” scholarship funding for students to pursue post-secondary education.

### **Business & Institutional Partnerships**

Holding events with local businesses and institutions can serve as a positive opportunity for the community learn and connect, while having the potential to acquire more incubator clients. Utilizing resources and expertise in the Business Incubator with its regional connections could organize education and networking event at the facility.

### **Education:**

Local partners could have access to programs that are valuable and underutilized. Working with the Incubator they can bring information and resources to current and new users, to demonstrate more opportunities they have available. An example is the Nez Perce Tribal Employment Rights Office (T.E.R.O) who primarily focus on construction and training individual to have their certification. If their current program does not fulfill the required certification for an individual, they can direct them to neighboring sites to finish their needs.

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<sup>7</sup> Hackett, Sean M., and David M. Dilts. "A systematic review of business incubation research." *The Journal of Technology Transfer* 29, no. 1 (2004): 55-82.



### **Community Events:**

Having a central and accessible location is of high importance for the Nimiipuu community for individuals, elders, and groups to convene in a shared space. Not only will the Incubator host educational, informative, and cultural events, but it also provides the opportunity for those to lease or rent conference room space for a day or so for private events. These events can include, birthdays, powwows, funerals, banquets, etc. On occasion the Incubator can be opened from broader community events that are free to the public. This will maintain excitement and buy-in from the community, at large, while not crowding-out the needs members and tenants.

### **Educational Events and Safety Classes:**

Individual and group safety classes will be provided and mandatory for those who intend to operate maker space tools, professional equipment, or any other required certification for specific employment.

Partnering with T.E.R.O for these specialized events and teachings would be valuable for those needing certain certification while having space to connect with multiple people. These classes also prolong the performance and longevity of the equipment and tools as well. The educational events are also a method to introduce local colleges and programs available in the Lapwai and Nez Perce County area and connect with guest speakers presenting these events on specific queries they have while visiting the Incubator.

### **Building Operations**

The Nimiipuu Fund will continue to conduct their organization business hours Monday through Friday, 8am to 4:30pm PT. The Incubator space will be open and operational through the week and on weekends. Monday through Friday 8am to 5pm, and Saturday and Sunday 8am to 6pm.

Those with secured access to the site may stay longer than the provided operation hours, and if private or public events are to happen after hours the building will still be open until the final hour of the event. Extended hours should not surpass 10pm, for janitorial and maintenance workers to complete their assigned work and not work overtime or into a later shift.

### **Coaches & Mentors**

One of the most critical aspects that make an Incubator not just “cheap office space,” is the educational and relational benefits of an Incubator. The roster of mentors and coaches should be built out by the Incubator leadership and Board members well in advance of opening. In many cases, such persons are volunteers who donate their time for the benefit of aspiring business owners, but this will likely not always be the case. Some professionals may need to be hired to fill these roles. As members develop relationships with mentors, they will organically determine a schedule for meetings and discussion points. The Incubator should develop a flowchart for both mentors and members, so they are familiar with the rough outline of topics and frequency of discussions.

Access to the coaches and mentors would be one of the primary benefits of Incubator members, as opposed to tenants, so the Incubator should be careful to guard their time and scheduled to prioritize these users.

## **Management Plan**

The Nimiipuu Fund will own and operate the Incubator. Policies and Procedures will be written agreements between the Nimiipuu Fund Board of Directors and the Tribal Council. Once all policies are agreed upon, appointed officials for the Incubator management will enforce them. The Incubator management team will report to the Executive Director.

If there are any contingencies with the policies, the Board of Directors and Tribal Council will then convene to remedy the issue, adjust as needed, and report the information to the Executive Director to carry out changes to appropriate staff.

## **Board of Directors Roles & Responsibilities**

The project team recommends the Nimiipuu Fund identify no more than 12 and no less than five individuals for the Board of Directors. The board is suggested to be made up primarily of elected and non-elected tribal leaders, Nez Perce businesspersons, and non-profit or corporate sponsors who are supporting the Incubator. Importantly, the Nimiipuu Fund should not neglect the possibility of extending an invitation to a remote member who is or has currently served in leadership at an existing CDFI that is or has set up a successful Incubator program elsewhere.

The Board of Directors will directly oversee the Executive Director of the Nimiipuu Fund, who is also the de facto manager of the Incubator. The Executive Director will have responsibilities for hiring/firing and altering wages, the board will approve candidates. The Board will also review other important vision and mission-oriented aspects of operations, such as the operating agreement, major spending decisions, and difficult tenant/member issues.

## **Key Performance Indicators (KPIs)**

KPIs are typically used by boards and organization leadership to monitor progress toward goals. In particular, they are helpful for determining in the short-term if an organization is on-track toward its long-term goal, namely, the stimulation of private sector economic growth within the Nez Perce tribe. The method of communicating progress can be determined based on-board preferences. Typical methods include annual or quarterly progress reports tracked via a spreadsheet software and reported out by a report and presentation.

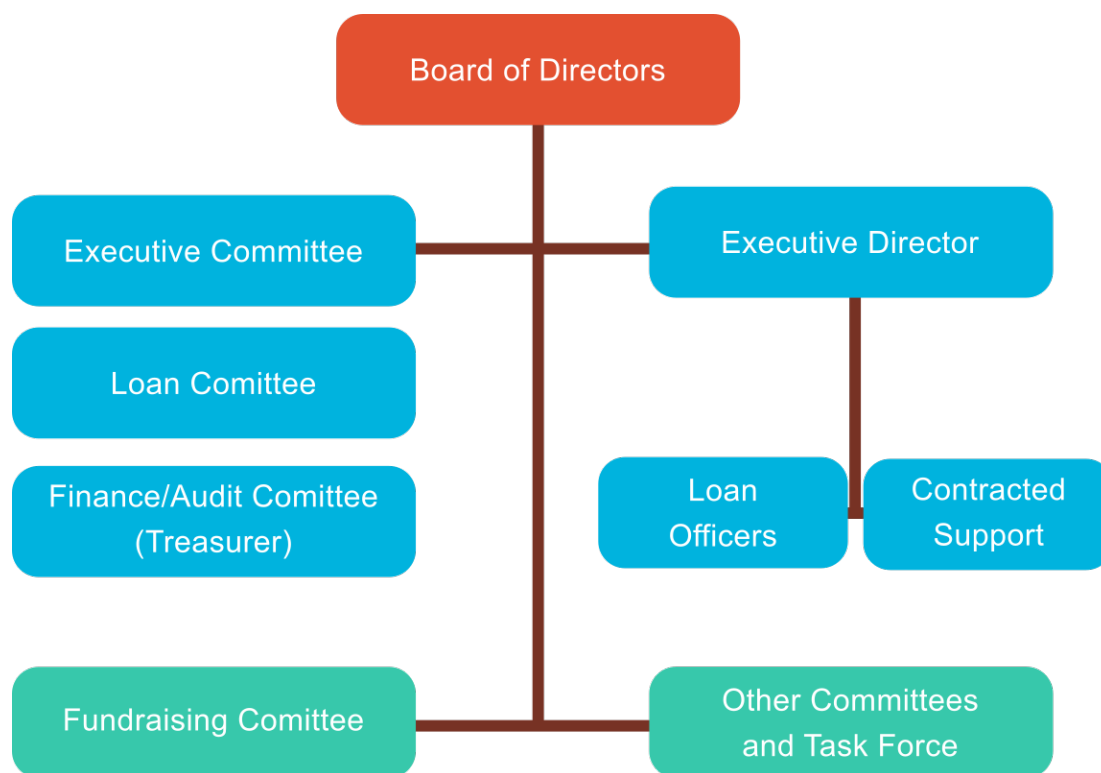
Though simple in concept, this can be measured in multiple ways. In each case, the Executive Director will maintain responsibility for tracking and communicating the following results to the Board on no less than an annual basis. Some of these factors will require maintaining strong ongoing relationships and connections with businesses that have graduated from the Incubator. The following are PC's initial suggestions:

- Sustainability/Business Growth: number of businesses in the Incubator pipeline, completion rates
- Community Impact: number of facility users, number of courses completed, number of mentors/coaches retained, number of events hosted
- Alumni Success:<sup>8</sup> jobs created and sustained, revenue growth, number of locations/buildings leased outside of the Incubator

## Staffing Plan

The Business Incubator will be primarily overseen by an appointed Executive Director, who reports to an overarching Board of Directors. Since the Nimiipuu Community Development Fund has a pre-established board and organization structure, this will merge over to the Business Incubator.

**Figure 4: Current Nimiipuu Fund Organization Chart**



<sup>8</sup> Note that these factors assume a channel of communication between the Incubator and alumni businesses, such as an Annual Alumni survey.

The Incubator will be overseen from the current Board of Directors and Executive Director of the Nimiipuu Fund. Additional roles managerial roles that will be overseen by the Executive Director:

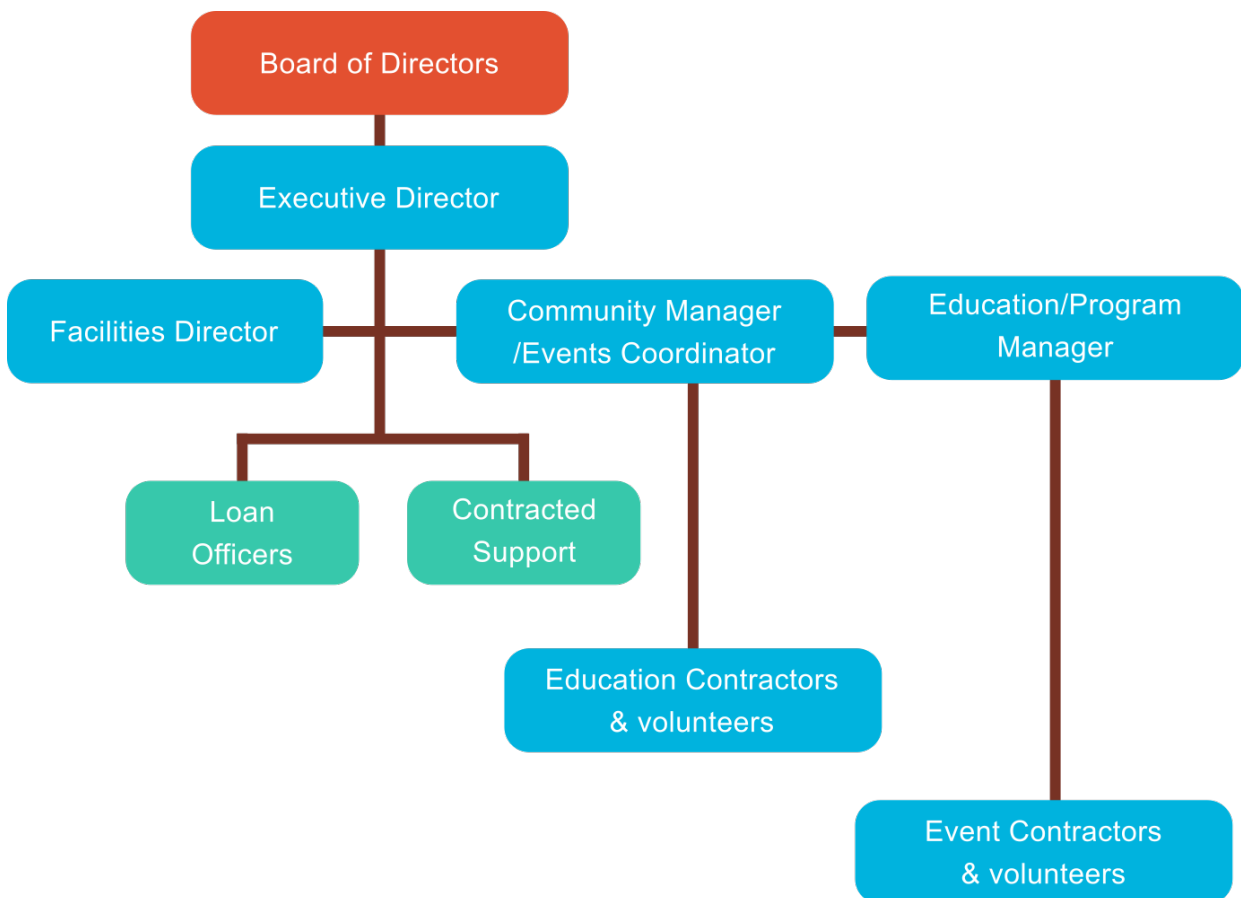
**Education/Program Manager:** responsible for implementing the virtual and remote workshops, if applicable with Initiate resources, contacting and arranging classes with local colleges and universities, networking with local or regional mentors and teachers to hold a guest speaker events.

**Facilities Director:** Routine check-ins with the facility infrastructure and IT, repair and maintenance for the building, and coordinate events and structure alongside Education and Community Managers.

**Facilities Director:** Routine check-ins with the facility infrastructure and IT, repair and maintenance for the building, and coordinate events and structure alongside Education and Community Managers.

**Community Manager/Events Coordinator:** Responsible for upkeep of tenant spaces, office supplies and management, coordinating community events (public and private), and space rentals.

**Figure 5: Organization chart with Business Incubator staffing**





## 4. PEER REVIEW

The project team reviewed external reports from an array of other Nations and Tribes who have implemented their own Business Incubator or similar such concepts. Interviews were also conducted with some of these Tribes to understand their needs, methods, and success of their incubators, including the Lummi Nation and Confederated Tribes of the Umatilla Indian Reservation. The objective for the interviews was to improve our understanding of incubator operations and performance with Native communities. Additional Incubator examples are located in Appendix B.

### Arrowhead Incubator - Traverse City, Michigan

The Arrowhead Incubator Inc. (Arrowhead Incubator) is a Native Non-Profit business incubator established in 2019 by native entrepreneurs in Traverse City, Michigan, which is focused on advising small businesses and stimulating economic activity at a hyper-local level. The Arrowhead Incubator deploys a proactive and synergetic approach with their economic and social expertise and networking. The incubator also works directly with tribal and non-tribal units of government, industry, and other organizations to ultimately educate, innovate, support, and elevate tribal communities.

Specifically, the Arrowhead Incubator provides to participants and the community the following services:

- **Education & Mentorship** - business education and mentorship and support to promote self-sufficiency and economic stability, growth, and retention in tribal communities
- **Consultation & Mediation** - consultation and mediation for tribal entities and those entering business transactions with tribal entities to facilitate a collaborative pathway between sovereignty and industry, particularly assistance with navigation the federal, state, commercial, and tribal contracting space
- **Volunteers & Expertise Sharing** - internships and volunteer opportunities for members to share expertise with community members through lectures, workshops, etc., with a focus on community collaboration

The Arrowhead Incubator offers the Basic Business Start-Up Program (BBSP), which is an eight-week structured training program and general assistance in the forms mentioned above. The BBSP comes with mentorship, computer, and office equipment access, quick books and telecommunications memberships, desk space at the incubator's office, marketing and promotion, and industry connections, among other things. Some of the assistance participants might receive includes starting a business, certifying entities, registering property, navigation permits and licensing, connecting to broadband, accessing financing, connecting with qualified employees, dealing with day-to-day business operations, and enforcing contracts.

The BBSP has attracted a range of native owned companies, from a consultancy to manufacturers of consumer goods, each at their own distinct levels of success. One company, MPC Backwoods (MPC), a family-owned wholesale retailer of leather and other native made goods based in Kaleva, Michigan, joined the program in August 2021. Specifically, MPC produces conceal-and-carry purses, Native American blankets and hats, lanyards, smudge kits, engraved boxes, knives, dream catchers and walking sticks. MPC offers their products in retail outlets, their personal website, and Etsy. Recently MPC exceeded its sales goals and intends to expand with a retail presence in Traverse City, Michigan in 2022-2023. MPC credits the Arrowhead Incubator by helping them articulate their business goals and strategy and finding out their mission as a business. MPC also leveraged the different mentors at the incubator and their diverse mix of experiences.



*Source: Google Earth, 2022*

#### **Four Bands Community Fund - Eagle Butte, South Dakota**

The Four Bands Community Fund (FBCF), founded in 2000, focuses on small business development and financing, financial literacy, and entrepreneurship education on the Cheyenne River and the Crow Creek Indian Reservations. FBCF aims to build successful small businesses and increase their capacity to create assets and build wealth in their communities. Ultimately, the FBCF aims to revive the culture of self-sufficiency and community structure in their respective tribes.

The FBCF, approximately, has a budget between \$1 - 4.5 million USD. The FBCF offers microloans for new businesses, larger loans for established businesses, and credit building loans for up to 3,000 USD; before being eligible for the loans, applicants must complete a business development course as well. providers, specifically designed to meet the needs of Native entrepreneurs.

Technical assistance and workshops are regularly provided to assist entrepreneurs in areas such as marketing, fiscal management, and customer service.

The South Dakota Small Business Development Center (SBDC) provides representatives for free consulting to members of the FBCF. They partnered with a poverty alleviation program that provides financial education to adults who participate in the fund's individual development account (IDA). The fund also partners with local schools and provides them with financial literacy, money management, and entrepreneurship education and training, along with internships for students. The FBCF also matches the savings of those who use the IDA program. The IDA funds can be used for a home, secondary education, or to start a business.

The fund has established partnerships to bring larger-scale economic development to the Reservation. Four Bands worked with the South Dakota Department of Tourism to lead Native Discovery, an initiative that promotes tourism in reservations. FBCF also has a partnership with local businesses and Tribal ventures to establish the Cheyenne River Chamber of Commerce. Additionally, FBCF has a partnership with Okiciyapi Tipi Habitat for Humanity to support the renovation of 30 homes on the Reservation.

FBCF has provided 1,844 adults and 26 students with training and technical assistance, integrated financial and entrepreneurship education into the curriculum for 1,525 students, provided loans totaling 2.2 million USD to help create or expand 90 Native-owned businesses, and helped 52 adults and 77 students build assets through IDAs.

### **Wind River Development Fund - Fort Washakie, Wyoming**



*Source: Google Earth 2022*

Wind River Development Fund (WRDF) is a Native CDFI serving the Wind River Indian Reservation in central Wyoming. Created in 2003, it has been pivotal in providing access to capital and training for the reservation's entrepreneurs. WRDF became a certified CDFI early on, held five business expos for Native business owners, secured funding to purchase a building for a community health center, secured funding to build a 15,800 square foot entrepreneur center, and was recognized nationally by the U.S. Department of Housing and Urban Development (HUD), United Native American Housing Association, and the American Institute of Diversity and Commerce.

WRDF has loaned over 1.7 million USD, including 33 business loans and 19 microloans with a default rate of less than a quarter of one percent. WRDF was also involved in 31 new businesses created and 225 jobs created or retained. In addition to providing microloans and small business loans, WRDF offers business training and assistance services including entrepreneur training and workshops throughout the year on topics such as business planning and operations assistance, credit counseling, and a small business resource library. WRDF also offers matched savings accounts through their Save Up Now (SUN) Program, which is similar to an IDA. Participants can use the funds they save for starting or expanding a business or repairing credit.

WRDF has been successful in partnering with Tribal institutions and Wyoming state government agencies for some of its larger-scale projects. To purchase and renovate the building for the community health center, WRDF partnered with Wind River Health Systems Inc. (WRHS) and the Northern Arapaho Tribe to obtain a \$1.26 million grant from the Wyoming Business Council, the state's economic development agency. Through a lease agreement with the American Legion Richard Pogue Post #81, and support from the Eastern Shoshone Tribe, the Wyoming Business Council, the U.S. Department of Agriculture, and the U.S. Department of Commerce, WRDF raised \$4.5 million for an entrepreneur center that provides office space, commercial lease space, conference and training facilities, and business incubation services.

WRDF also established a for profit subsidiary, Painted Pony Inc. (PPI) in 2004 to generate a sustainable stream of operating income. In its first venture, PPI worked with the Wyoming Department of Education to publish children's books with stories of the Wind River Tribes. WRDF is a model of a Native CDFI successfully engaging in scaled entrepreneur and small business development through technical assistance, strong partnerships, and community buy-in.

### **Lakota Funds - Kyle, South Dakota**

Lakota Funds provides entrepreneurs and residents of the Pine Ridge Indian Reservation with financial products, services, and training to help break cycles of poverty and spur economic development. Since its inception in 1986, Lakota Funds' approach was modeled after the Grameen Bank's microlending program in Bangladesh and consisted of \$500 microloans to entrepreneurs on the reservation. Lakota Funds also offers loans ranging from \$5,000 or less to a maximum of \$200,000 to meet the varying size and capital needs of entrepreneurs. The fund also offers a three-week course, "Start Right: Build your Own Business," which provides business development training to emerging and existing entrepreneurs, while business success coaches provide entrepreneurs with technical assistance, marketing, and operations support. Lakota Funds was also a participant in the SAGE collaborative.

In addition to providing access to capital, training, and support for entrepreneurs, Lakota Funds offers programs that help Pine Ridge residents build credit, savings, and assets including financial literacy training, homebuyer education, credit education, IDAs, free tax preparation, and rental housing. Lakota Funds also administers products that serve young people on the reservation. Through a local summer camp, they provide financial literacy and entrepreneurship training.



Lakota Funds also offers IDAs for young people ages 14-17 and assists high school students in preparing business plans for the annual Lakota Nations Invitational Business Plan Competition. In September 2011, Lakota Funds launched a Child Development Account Program to help children in grades 1-8 get an early start in building savings. These accounts have initial seed deposits and each child's savings was matched.

Over the past 25 years, Lakota Funds has been a pioneer in advancing entrepreneurship and economic development on the Pine Ridge Reservation, and a leader in the Native CDFI field. Lakota Funds has provided over 660 loans totaling 5.5 million USD and created over 1,100 permanent jobs. They also developed Eagle Nest, the first Native-owned, tax credit-financed housing project, and in addition to that they co-founded the Pine Ridge Chamber of Commerce, which was the first Native Chamber of Commerce established on a reservation.

### **Lower Sioux Indian Community (Southwest Minnesota) - Arts & Culture Incubator Study**

In 2018, the Lower Sioux Indian Community (LSIC) initiated a feasibility study for an arts & culture incubator in their respective area of southwest Minnesota. The study evaluated whether there was a potential to sell art in the community, southwest Minnesota, and beyond the state's borders. They also evaluated if there were artists and/or prospective artists interested in selling and learning how to market their art that would come from an incubator. Ultimately, the study suggested LSIC move forward with the creation of an arts & culture incubator based on market research and community feedback. Although this is not a business development incubator, the conditions in which this research happened are similar. In addition, what would be needed for this prospective space could be reasonably extrapolated towards a business/entrepreneurial space as well.



*Source: BNIM, Lower Sioux Intergenerational Cultural Incubator, 2022*

The feasibility study arrived at the following conclusions:

- There are many practicing artists in the community, some with the desire to commercialize their work. Training and education are needed for those who desire to do so, space is an important need for artists to create both alone and collectively. The space should strive to support already existing artists and projects, and there is a need for technology (photographers, graphic designers, etc.)
- The community requests when using the space that each age group needs their own dedicated space, a large community gathering area should be included, space for learning and teaching arts/culture, design, day-to-day management, maintenance, and funding are top of mind to the community members. They want to know how it will be sustainably addressed, health and well-being should be an area of focus for center programming, the center needs an “ultimate” community vision
- From external interviews with similar programs, success means leverage supportive partners, be creative with the structure, develop clear and measurable graduation policies, ensure revenue generation to fund operational expenses, and develop/implement long-term evaluation processes



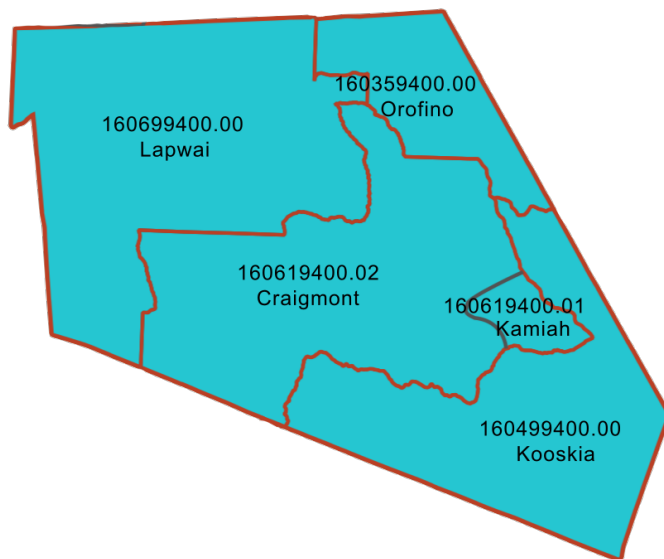
## 5. SOCIOECONOMIC ANALYSIS

In most communities in the United States, analysts rely upon a combination of data sources from state and federal statistical organizations. Common sources at the federal level include the US Census Bureau and the Housing and Urban Development (HUD), among others. Tribal areas are a challenge to survey accurately due to a combination of tribal communities' mistrust of government agencies, non-traditional lodging situations, and cultural differences. For these reasons, these standard means of data collection have historically proven to be inaccurate. The only relatively reliable source of federal data is the Federal Reserve Bank of Minneapolis' Reservation Profile database.<sup>9</sup> PC also relies upon a number of other proprietary sources and the community survey conducted as a component of this analysis to arrive at the data presented here.

### Regional and State Context of American Indian Populations

Firstly, some regional and national context is helpful for understanding the unique circumstances of the Nez Perce Tribe and Reservation. Nationally, an increasing number of people are identifying as American Indian & Alaska Native (AIAN). Between 2000 and 2010, the AIAN cohort increased 27% at the national level. Many tribal areas are adjacent to urban and micropolitan centers and, in some areas, reservations have been fully encircled by urban population centers. AIAN populations living in counties adjacent to reservations tend to fare better in terms of income and poverty statistics.

**Figure 6: Nez Perce Reservation with Census Tracts**



With its headquarters in the city of Lapwai, the Nez Perce Reservation (NPR) spans around 770,000 acres.<sup>10</sup> Figure 1 shows the boundaries of the Reservation, along with some of the census tracts contained within its territory. The Nez Perce Tribe is one of five federally recognized tribes in the state of Idaho, with approximately more than 3,500 members, of which an estimated 1,800 are living on the Reservation.<sup>11</sup>

<sup>9</sup> Reservation Profile for Nez Perce Tribe: <https://www.minneapolisfed.org/indiancountry/resources/reservation-profiles/nez-perce-reservation>

<sup>10</sup> <https://www.nezperce.org/about/>

<sup>11</sup> National Park Service:

<https://www.nps.gov/nepe/faqs.htm#:~:text=Q%3A%20How%20many%20Nez%20Perce,away%20as%20Canada%20and%20Oklahoma>

The reservation has a total population of 19,251 with a demographic composition that includes both AIAN and non-AIAN residents. Table 2 below shows the demographic breakdown for the residents of the Reservation, while Table 3 provides the same for select cities within the Reservation.

**Table 1: Nez Perce Reservation Demographics**

Group	Population	Share
White	15,547	80.7%
Black	39	0.0%
AIAN	2760	17.7%
Asian	140	0.0%
Native Hawaiian and other Pacific Islander	22	0.0%
Hispanic	903	0.0%
Some other race	197	0.0%
Two or more races	546	0.0%
<b>Total AIAN</b>	<b>2760</b>	<b>17.7%</b>
<b>Total Non-AIAN</b>	<b>17,394</b>	<b>82.3%</b>
<b>Total Population</b>	<b>19,251</b>	<b>100%</b>

*Source: Federal Reserve Bank of Minnesota, Reservation Profiles, 2013-2017 American Community Survey*

Many non-tribal members reside within the boundaries of the reservation. In fact, over three quarters of Nez Perce Reservation residents are non-tribal. As Table 3 below shows, the city with the largest proportion of AIANs is Lapwai, while the largest city in terms of population, Orofino, has a relatively small proportion of Native Americans compared to the White population. Figure 2 below shows the proportions for four racial groups within select cities in the reservation.

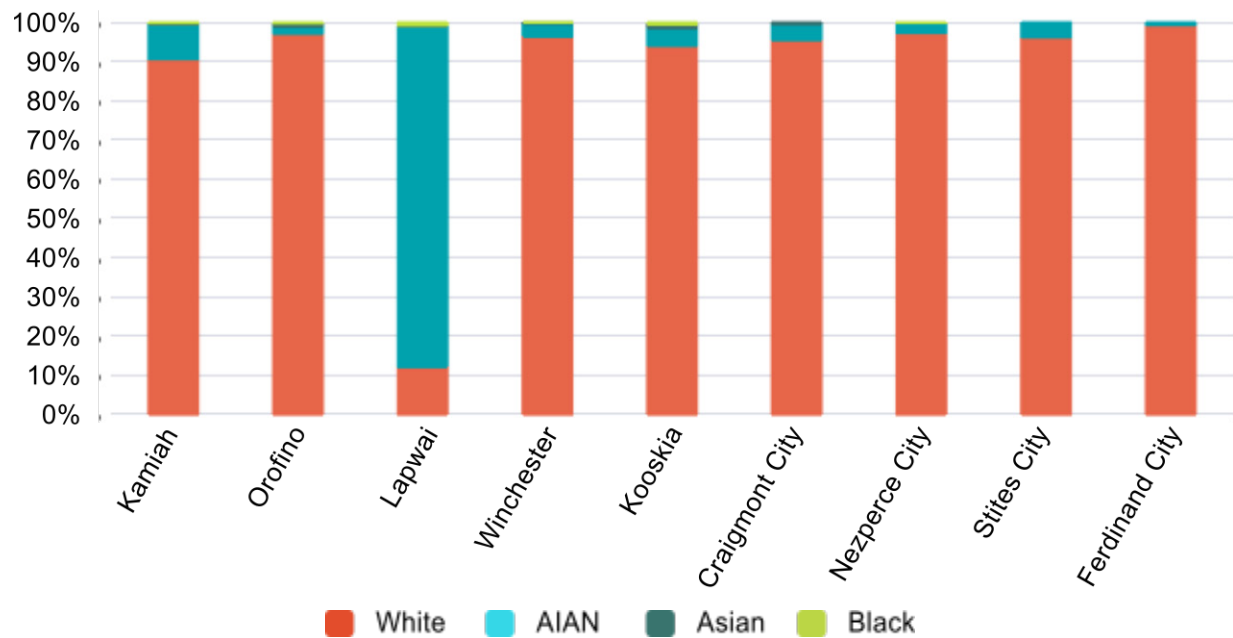


**Table 2: Population of Cities within Nez Perce Reservation by Race**

City	Population Total	White	AIAN	Asian	Black
Orofino	2,656	2,417	45	20	8
Kamiah	1,539	1,284	127	3	4
Lapwai	1,169	131	944	1	9
Winchester	618	557	20	1	1
Kooskia	514	439	21	4	3
Craigmont City	458	418	18	2	0
Nezperce City	458	417	11	0	1
Stites City	171	149	6	0	0
Ferdinand City	133	127	1	0	0

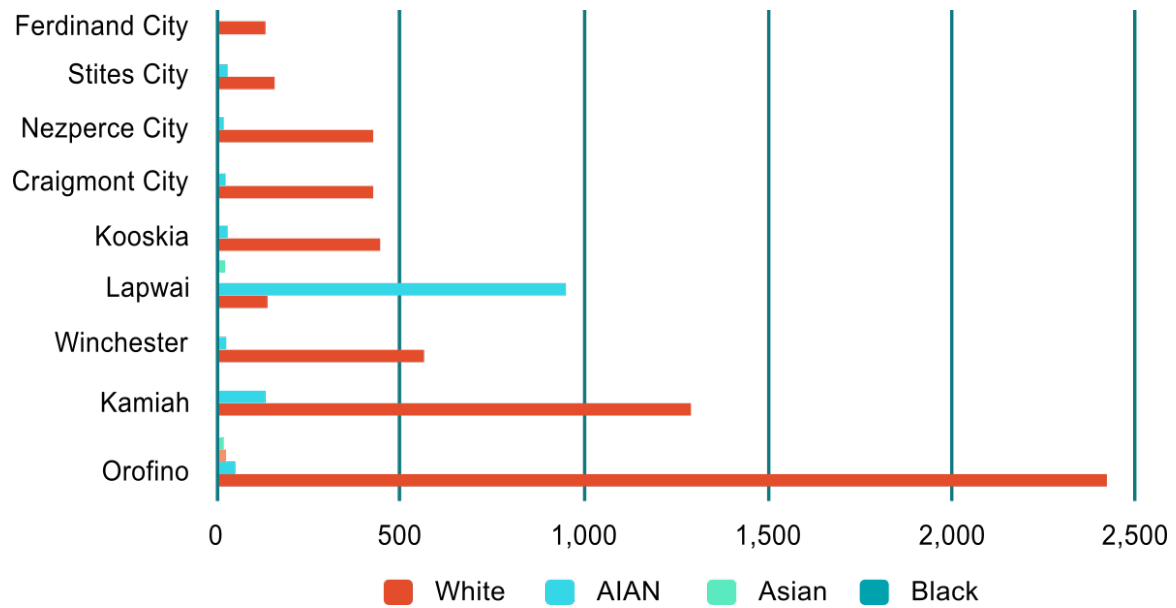
Source: U.S. Census Bureau, DEC Redistricting Data, 2020

**Figure 7: Population of Cities within Nez Perce Reservation by Race**



Source: U.S. Census Bureau, DEC Redistricting Data, 2020

**Figure 8: Population of Cities within Nez Perce Reservation by Race**

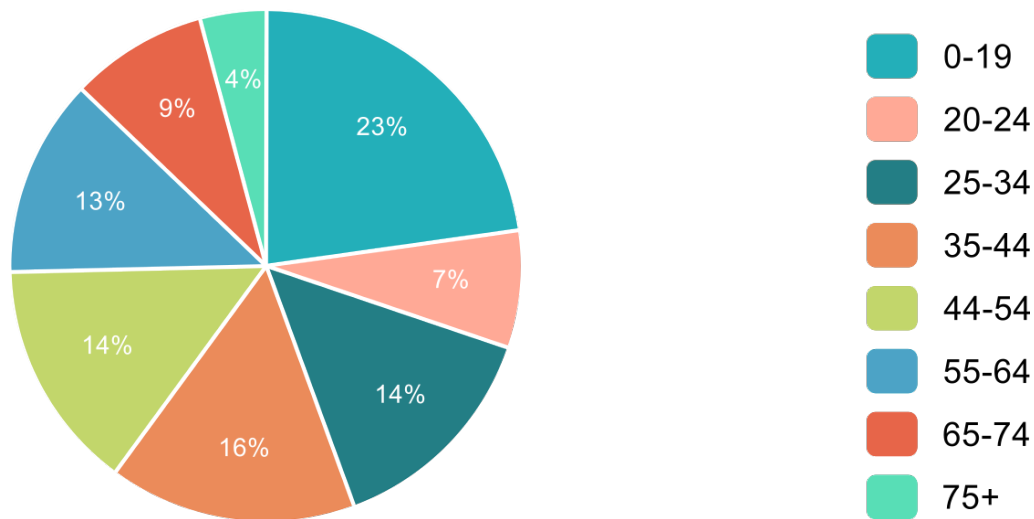


Source: U.S. Census Bureau, DEC Redistricting Data, 2020



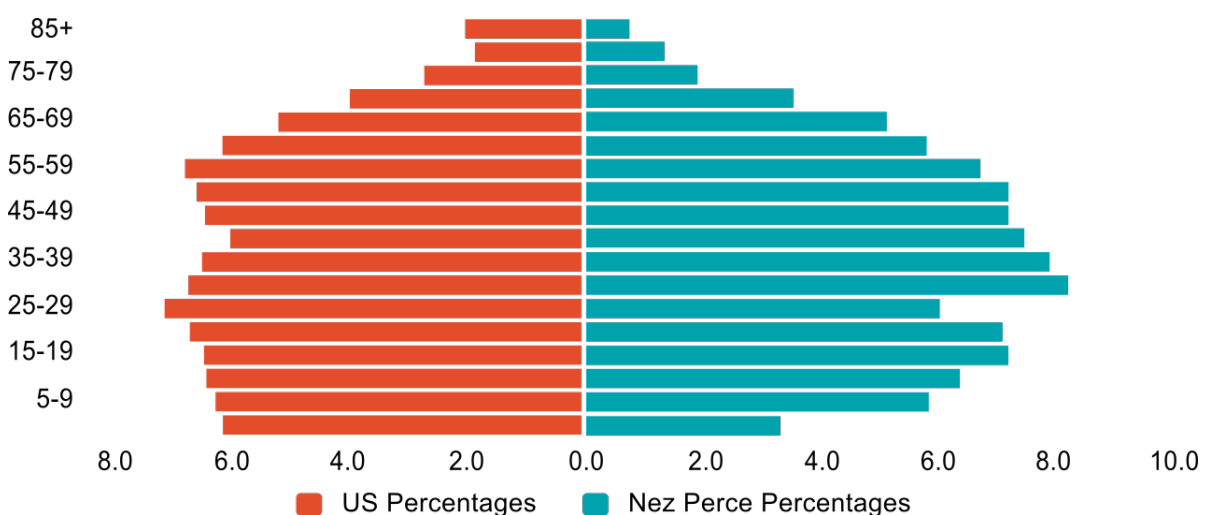
Age distribution data indicate several distinct demographic patterns within the Nez Perce Reservation. In general, Nez Perce tribal membership is quite young, with a median age of 38 years. The figures below show the age distribution patterns for the Nez Perce Tribe. The Tribe has a larger share of people ages 15-to-24, and 30-to-59-year-olds when compared to the US. However, the Tribe has 2.8% less 0-to-4-year-olds than the rest of the nation. Table 3A in Appendix A shows a complete breakdown of age cohorts by percentage in both regions.

**Figure 9: Nez Perce Tribe Age Distribution**



Source: Nez Perce Tribe Records, 2022

**Figure 10: Nez Perce vs US Population Pyramid**



Source: Nez Perce Tribe Records, 2022 and U.S. Census Bureau Population Estimates by Age, Sex, Race and Hispanic Origin, 2017

These demographics work in favor of the Incubator, which will likely attract a predominately younger audience who is both familiar and comfortable with the concept of sharing space with other professionals. It also hints positively toward the long-term sustainability of the facility, by maintaining a younger customer base.

In terms of educational attainment, AIANs in the Nez Perce Reservation area fare similarly to other races. AIAN totals for high school education and below slightly trail the totals for all races, however when it comes to some level of postsecondary education, the AIAN totals edge out the ones for all races. AIAN males trail AIAN females when it comes to education, with two times the number of females earning bachelor's degrees than males. Table 3 breaks down the levels of educational attainment for AIANs in the Reservation.

**Table 3: Educational Attainment – Population 25 Years and Older in Nez Perce Reservation**

Group	AIAN Female	AIAN Male	AIAN Total	All Races
Less than Highschool diploma	8.0%	9.0%	8.5%	10.5%
Highschool graduate, GED, or equivalent	21.6%	41.6%	31.6%	34.0%
Some college or Associate's degree	50.0%	39.5%	44.7%	38.6%
Bachelor's Degree or higher	20.5%	10.0%	15.2%	16.9%

Source: Federal Reserve Bank of Minnesota, Reservation Profiles, 2013-2017 American Community Survey

Similar to the case of demographic data, there are gaps in tribal business data, with no comprehensive data on tribally owned enterprises.<sup>12</sup> It is also important to note that the creation of tribally owned businesses can provide economic benefits to both AIAN and non-AIAN residents in the Reservation alike. However, due to the unique set of barriers and challenges that tribal business owners face, such as access to sufficient financing, it can be difficult to get enterprises up and running and generating revenue.<sup>13</sup> According to research carried out by the Center for Indian Country Development, 70% of all non-gaming tribal enterprises are located away from reservations, and the overall number of these enterprises has steadily grown over the last 25 years.

**“In the USA, 70% of all non-gaming tribal enterprises are located away from reservations,”**

<sup>12</sup> An urgent priority: Accurate and timely Indian Country data. M. Gregg, C. Lozar, R. Nunn (2022)

<https://www.minneapolisfed.org/article/2022/an-urgent-priority-accurate-and-timely-indian-country-data>

<sup>13</sup> Growing Economies in Indian Country: Taking Stock of Progress and Partnerships. Susan Woodrow (2012)

<https://www.federalreserve.gov/newsevents/conferences/GEIC-white-paper-20120501.pdf>



Table 4 below shows several employment metrics for the Nez Perce Reservation and compares it to the US and all-reservation averages. The civilian employment-population ratio, which measures the labor force that is employed at the moment against the working-age population of a region, is significantly lower than the national figure and slightly lower than the average for all reservations. In terms of labor force participation, the Reservation lags behind the US and other reservations. Unemployment rates for the Nez Perce Tribe are slightly above the national average but fall below the average for all reservations.

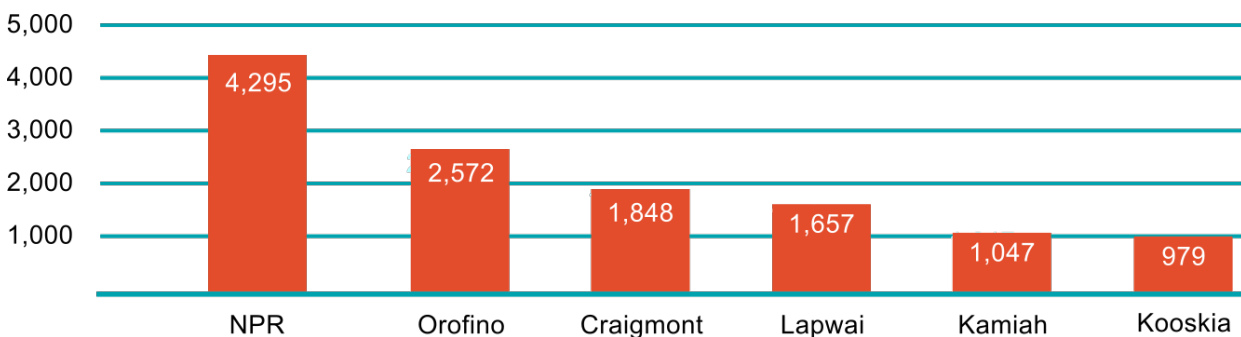
**Table 4: Employment for Nez Perce Reservation, United States, and All Reservations**

Geography	Civilian Employment-Population Ratio	Civilian Labor Force Participation Rate	Civilian Unemployment Rate
Nez Perce Reservation	44.5%	48.0%	7.2%
United States	59.1%	63.3%	6.5%
All Reservations	47.6%	54.4%	12.6%

Source: Federal Reserve Bank of Minnesota, Reservation Profiles, 2013-2017 American Community Survey

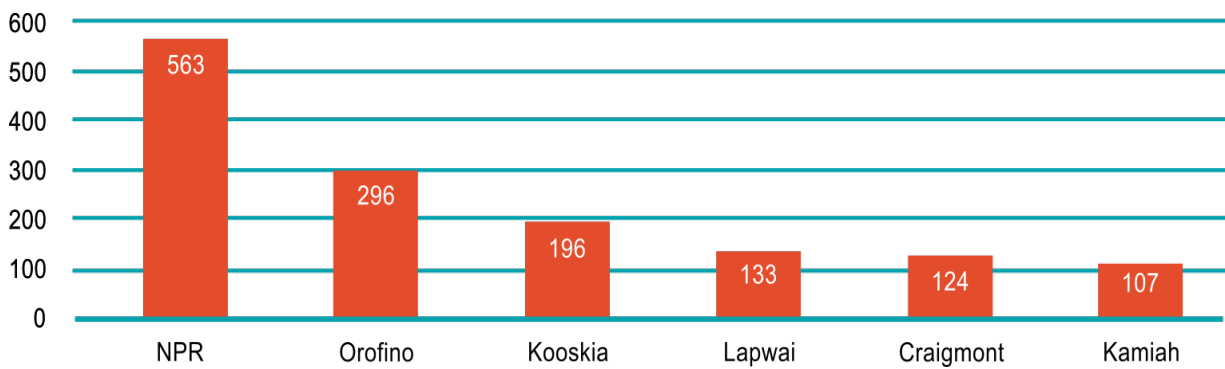
As figures 6 and 7 below show, the Orofino census tract has the greatest number of employees and businesses in the Reservation area. This is to be expected, given Orofino is the most populous city in the NPR. However, as Figure 8 demonstrates, the Orofino census tract has the lowest rate of labor participation when compared to the other census tracts and the Reservation as a whole. Whereas Craigmont, while having the second lowest number of businesses in the NPR, has the highest labor participation rate in the region, surpassing the average rate for the Reservation.

**Figure 11: Number of Employees by Reservation Census Tract and Nez Perce Totals**



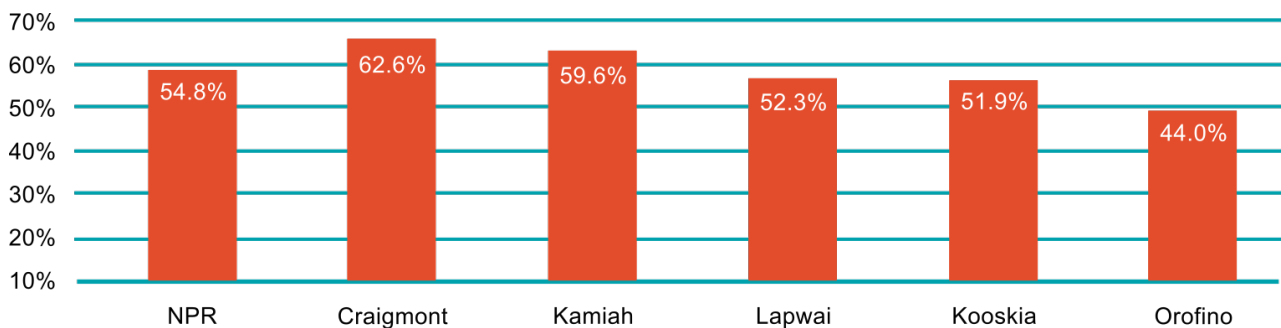
Source: Esri Business Analyst, via Business Summary, 2021

**Figure 12: Number of Businesses by Reservation Census Tract and Nez Perce Totals**



Source: Esri Business Analyst, via Business Summary, 2021

**Figure 13: Labor Force Participation Rate by Reservation Census Tract and Nez Perce Totals**



Source: Esri Business Analyst, via Civilian Labor Force Profile, 2021

Table 5 shows employment numbers by industry in the NPR for 2021. The top three industries by employment are health care, public administration, and retail trade. The table also displays the location quotient (LQ) of each industry, which shows a region's industrial specialization relative to the United States. However, given the sparsity of the data points, some LQs might not necessarily be representative of the employment conditions in the area and the comparative advantages each county possesses. The LQ that stands out the most for the region is agriculture, forestry, and fishing, which is indicative of 710% more employment in this industry than would be expected based on national averages. Also, the relatively high location quotients in industries such as public administration underscore the importance of the Nez Perce Tribe itself as an employer in the region.<sup>14</sup>

<sup>14</sup> Examining tribal enterprises to understand Native economic development. M. Gregg & E. Moreno (2021), <https://www.minneapolisfed.org/article/2021/examining-tribal-enterprises-to-understand-native-economicdevelopment>

**Table 5: Employment by Industry in the Nez Perce Reservation**

Industry	Employment	Percent of All Jobs	Location Quotient
Health Care/Social Assistance	931	16.3%	1.1
Public Administration	656	11.5%	2.4
Retail Trade	588	10.3%	1.1
Agriculture/Forestry/Fishing	523	9.2%	7.1
Manufacturing	519	9.1%	0.9
Construction	490	8.6%	1.2
Educational Services	430	7.5%	0.8
Transportation/Warehousing	272	4.8%	1.0
Other Services (Excluding Public)	232	4.1%	0.9
Accommodation/Food Services	230	4.0%	0.7
Information	143	2.5%	1.4
Arts/Entertainment/Recreation	137	2.4%	1.5
Wholesale Trade	114	2.0%	0.8
Finance/Insurance	113	2.0%	0.4
Professional/Scientific/Tech	109	1.9%	0.2
Admin/Support/Waste Management	74	1.3%	0.3
Utilities	54	0.9%	1.0
Real Estate/Rental/Leasing	54	0.9%	0.4
Mining/Quarrying/Oil & Gas	35	0.6%	1.2
Management of Companies	0	0.0%	0.0
<b>Total</b>	<b>5,703</b>	<b>100.0%</b>	<b>-</b>

Source: Points Consulting, 2021 using Esri Business Analyst

### Financial Characteristics

According to US Census data, Native Americans have the highest rate of poverty among all minority groups in America, with 25.4% of the population under the poverty threshold.<sup>15</sup> With a jobless rate that peaking at 28.6% during the pandemic, AIANs have been one of the most harshly impacted sectors of the population due to COVID-19. However, the disparity between Native Americans and the rest of the population in unemployment and poverty numbers did exist before the pandemic. Out of the 300 or so Native American reservations in the US, very few have well-functioning economies, which forces residents to have to travel outside of the

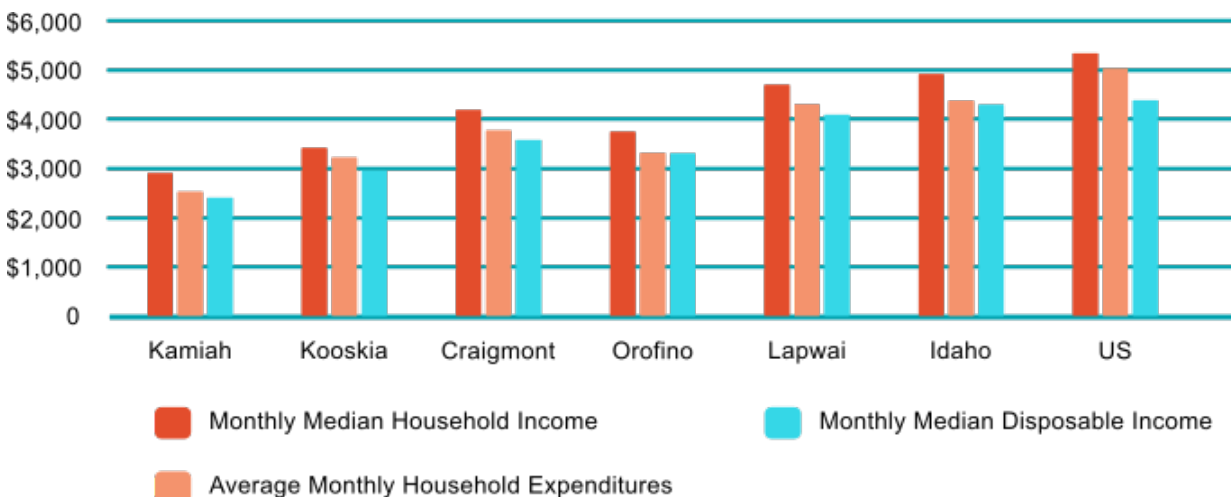
<sup>15</sup> **Racial Wealth Snapshot: Native Americans.** Dedrick Asante-Muhammad et al. (2022), <https://ncrc.org/racialwealth-snapshot-native-americans/#:~:text=Poverty%20Rates,rate%20among%20all%20minority%20group>

reservation to access stores, banks, jobs, and higher education institutions.<sup>16</sup>

What further complicates this issue is the overall lack of developed business environments and the absence of financial management knowledge and education. Workshops and surveys carried out by The Federal Interagency Working Group on Indian Affairs Committee on Economic Development, and First Nations Oweesta Corporation have highlighted the need for mentorship and personal and business financial management training for AIAN individuals residing in reservations.

In order to get a better understanding of the financial health of households in the Reservation, it is important to look at metrics such as median incomes and expenditures. Figure 14 below shows median income, average expenditures, and median disposable income for households in the Nez Perce Reservation, Idaho, and the US on a monthly basis. Lapwai has the highest household incomes, disposable incomes, and expenditures in the Reservation Area, and is also the most comparable city to the state level figures for Idaho.<sup>17</sup> Kamiah has the lowest income and expenditure numbers in the region, with median incomes making up only 58% of Idaho's median income. Overall, the financial standing of the Nez Perce region trails that of the rest of the state and the nation.

**Figure 14: Select Financial Characteristics for Cities within the Nez Perce Reservation, Idaho, and the US by Household**



Source: Points Consulting Using Esri Business Analyst, 2021

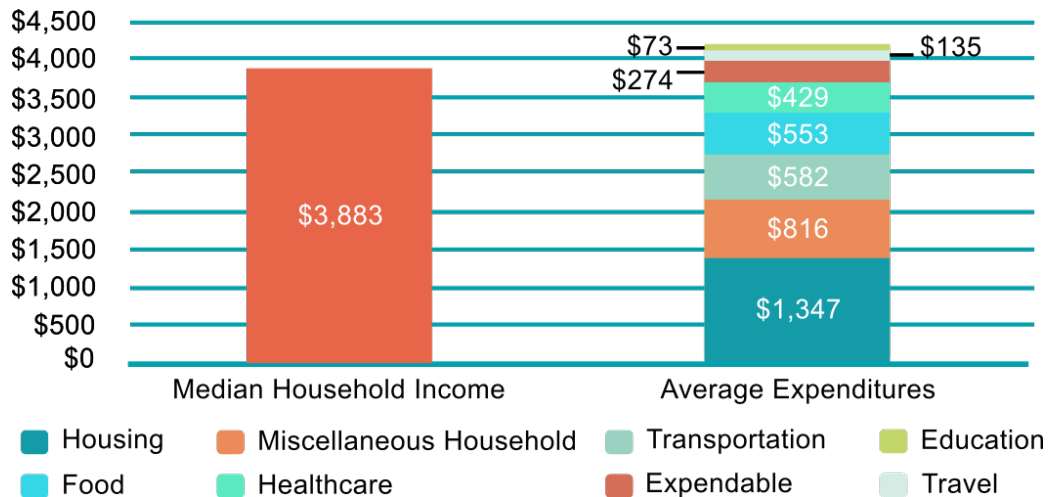
<sup>16</sup> Establishing Economies on Indian Reservations. Robert J. Miller (2021), <https://www.theregreview.org/2021/04/08/miller-establishing-economies-indianreservations/#:~:text=Few%20of%20the%20300%20Indian,%2C%20higher%20education%2C%20and%20jobs>

<sup>17</sup> Average monthly household expenditures include food, alcoholic beverages, housing, apparel and services, transportation, travel, health care, entertainment and recreation, personal care products and services, and education.



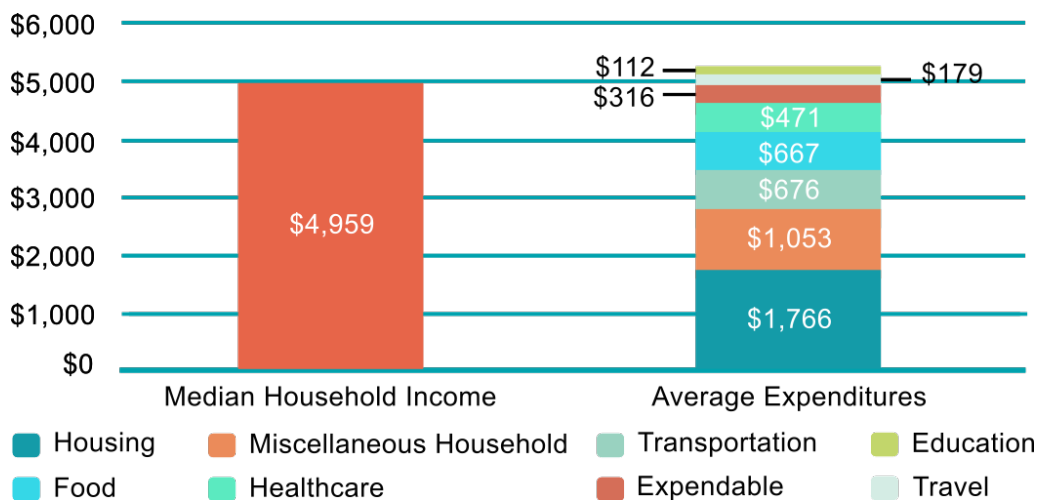
Figures 15 and 16 below show a comparison between median household income and average monthly expenditures for households in the Nez Perce Reservation and Idaho. The largest average monthly expenditure for both regions is housing (including utilities), followed by miscellaneous household spending.<sup>18</sup> Spending on housing makes up 33.7% of average expenditures in Idaho, while in the Reservation it composes 32% of household expenditures. In general, households in the NPR allocate a greater amount of their expenditures to food, transportation, and healthcare than the rest of the state.

**Figure 15: Comparison of Median Income Expenditures on the Nez Perce Reservation**



Source: Points Consulting Using Esri Business Analyst, 2021

**Figure 16: Comparison of Monthly Median Income and Expenditures in Idaho**



Source: Points Consulting Using Esri Business Analyst, 2021

<sup>18</sup>Miscellaneous household expenditures include apparel and services, personal care products, funeral expenses, legal fees, banking service charges, accounting fees, credit card membership fees, shopping club membership fees, support payments, life insurance, pensions and social security.

Of particular importance on these charts is the proportion of spending that goes toward the “expendable” category. As noted in Chapter 6. Financial Capacity & Sustainably, Incubator users will be expected to pay for the services they utilize. Though incomes are lower on the Reservation than the state, the average household still spends \$274/month on expendable items. One would expect that many households would value the services of the Incubator enough to reallocate some of this spending for this purpose.

Table 6 below shows the distribution of annual median disposable incomes by cities in the NPR, Idaho, and the US, while Table 6 has a cost-of-living comparison for these same regions. Disposable income is defined as the amount that residents have left either to save or spend after paying their taxes. Most households in the NPR have a median household disposable income between \$42.5K and \$62.5K, with Kooskia, Orofino, and Kamiah at the lower end of that range. Craigmont is close to the median amount for the state of Idaho, whereas Lapwai slightly surpasses that. Similar to what was shown in the preceding figures, Kamiah trails the rest of the cities in the region, with the highest proportion of disposable incomes on the lower end of the distribution. Information on the relatively higher disposable income levels of residents of Lapwai is one strong metric pointing to Lapwai and the surrounding area as the prime location for the Incubator.

In terms of cost of living, Kooskia is the most expensive city in the NPR overall. Kooskia’s housing index is 5.1% higher than the score for the US, which means the median home price there is higher than that of the US as a whole. The same goes for health in all of the select cities in the NPR, where health care costs are at least 8.7% higher than the score for the US, and 13.6% than the average health costs for the state of Idaho. This is indicative of a higher average cost for hospital rooms, doctor’s office visits, and dental checkups in these cities when compared to the state and the nation. However, in general terms, these cities in the NPR have a lower overall cost of living than the state and the US, with particularly low homeowner housing costs in Lapwai and Craigmont.

#### 6: Annual Disposable Income in Cities in the Nez Perce Reservation, Idaho, and the US

Annual Disp. Income	Kooskia	Orofino	Kamiah	Craigmont	Lapwai	Idaho	US
\$8,000	14.4%	8.4%	18.2%	8.5%	9.1%	6.6%	8.4%
\$20,000	12.8%	13.6%	18.2%	11.1%	7.0%	7.9%	7.1%
\$30,000	13.0%	11.1%	10.3%	10.0%	7.7%	8.4%	7.5%
\$42,500	19.3%	19.2%	21.7%	15.2%	10.5%	11.9%	11.0%
\$62,500	14.2%	15.8%	13.6%	19.7%	23.4%	20.6%	17.0%
\$86,000	12.1%	15.6%	8.5%	16.8%	16.5%	15.0%	13.2%
\$125,000	9.0%	11.5%	7.1%	11.4%	14.5%	17.4%	17.4%
\$175,000	3.8%	3.5%	2.0%	3.9%	5.5%	6.7%	8.7%
\$250,000	1.3%	1.4%	0.5%	3.3%	5.8%	5.5%	9.7%

Source: Points Consulting using Esri Business Analyst, 2021

**Table 7: Cost of Living Comparison, Selected Locations**

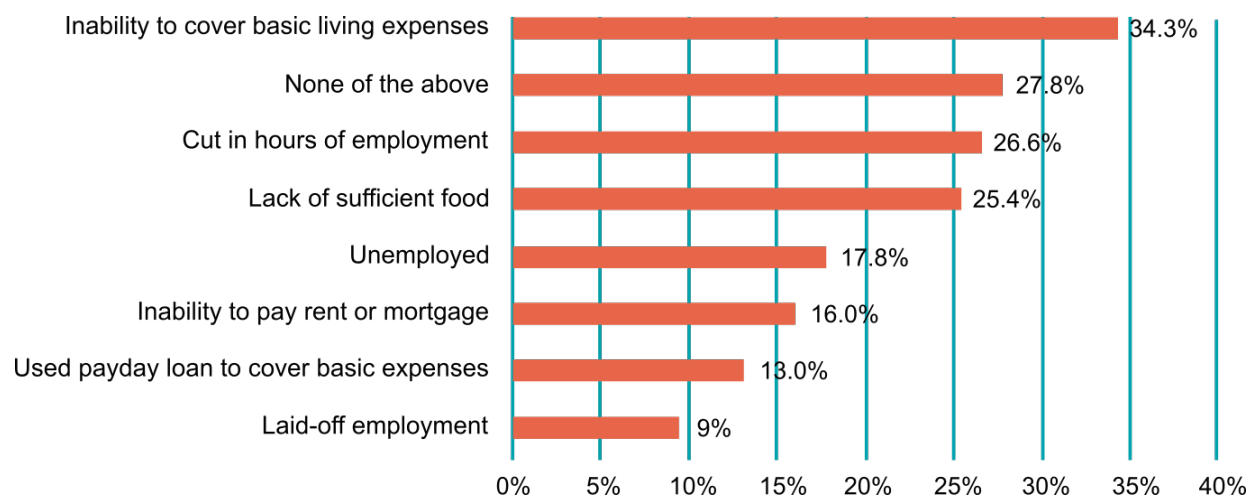
Region	Overall	Housing	Grocery	Health	Utilities	Transportation
Kooskia	93.4	105.1	99.4	109.5	86.9	69.9
Lapwai	92.9	57.8	97.2	108.8	86.2	81.5
Kamiah	88.1	76.5	97.9	108.7	89.0	76.7
Orofino	88.0	79.4	98.1	108.9	86.5	87.0
Craigmont	83.5	50	97.1	108.7	82.7	76.2
<b>Idaho</b>	<b>97.7</b>	<b>114.1</b>	<b>94.4</b>	<b>95.1</b>	<b>89.3</b>	<b>81.6</b>
<b>United States</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Source: Sperlings Best Places, Cost of Living Comparison*

The Nimiipuu Community Development Fund (NCDF) through their 2021 financial survey obtained a snapshot of the financial standing of residents of the Nez Perce Tribe post-pandemic. Figure 12 below illustrates the responses to the question “How has the COVID-19 pandemic affected your finances?” Respondents were allowed to select all that applied to their situation. Those surveyed indicated that they would not be able to cover their basic living expenses due to the effects of the pandemic. Further, when asked if they would be able to cover a few months of expenses if they were to encounter an unexpected financial need or problem like losing a job, 62% of respondents answered that they wouldn’t be able to cover their expenses.

Interestingly, 57% either agreed or strongly agreed that they had access to reliable and affordable credit or loans. However, as highlighted in the surveys carried out by First Nations Oweesta Corporation, predatory lending, payday loans, pawn shops and “quick cash places” are still used in some form by 37% of respondents in the region, where they are exposed to loan sharks and high interest rates.

**Figure 17: Responses to “How has the COVID-19 pandemic affected your finances?”**



*Source: NCDF Community Financial Survey, 2021*

### **Supply Assessment**

Another crucial factor effecting the feasibility of the Incubator is the availability of comparable options. In short, there is very little in the way of comparable facilities for residents of the Nez Perce Reservation. Part of the justification of this comes from the survey conducted by PC for this project. Eighty-eight percent (88%) of respondents feels that the community “needs more workspaces for entrepreneurs and businesspeople.” Among a list of most needed services that could be offered by the Incubator, “general office space” and “artist co-op/creative workspace” rated second and third, respectively with 70+ votes each. Anecdotally, in interviews and interactions with the public, PC found that most micro-business owners are working from home in sub-optimal conditions. Data from the Census Bureau (see Table 7) also indicate that 5% of Lapwai’s adult population works from home. Though lower than the state and national averages, it must also be kept in mind that the labor force participation in the Reservation area is lower, so the actual proportion of those working who are working from home is likely higher than the state and national average.

The communities of Moscow and Pullman have larger population and the presence of two Land Grant Universities (University of Idaho, and Washington State University) and one additional private college (New Saint Andrews College). There are no fewer than three co-working spaces in the Moscow-Pullman area, and the Universities also host numerous business assistance programs. The City of Moscow has an urban renewal district (URA) that supports the Alturas Business Park, while the Port of Whitman County hosts the Pullman Industrial Park. In some cases, tribal members may be able to utilize these options but both Moscow and Pullman are no less than 45 minutes from Lapwai, making it a poor match for most tribal members.

The cities of Lewiston and Clarkston would be the best non-reservation option for tribal members to find leasable rent space, mentorship and business education. In 2020/21 the City of Lewiston showed interest in developing a Business Incubator in the downtown area, but the initiative ultimately failed to advance due to lack of agreement among city leadership. Private developers have considered offering co-working space in Lewiston but thus far, none have acted upon this research. Clarkston offers no options in the way of business assistance and small office space.

**Table 8: Percent of Workers Working from Home in Reservation Census Tracts, Idaho, and the US**

Region	Workers 16 and over	Percent Working from Home
---2019---		
Orofino	1,904	4.3%
Lapwai	1,810	5.0%
Kooskia	1,704	11.0%
Craigmont	860	6.3%
Kamiah	545	4.4%
<b>Idaho</b>	<b>781,670</b>	<b>6.2%</b>
<b>US</b>	<b>152.7M</b>	<b>5.2%</b>
---2020---		
Orofino	N/A	N/A
Lapwai	1,810	5.0%
Kooskia	1,644	7.5%
Craigmont	839	6.9%
Kamiah	510	1.4%
<b>Idaho</b>	<b>807,123</b>	<b>7.8%</b>
<b>US</b>	<b>153.6M</b>	<b>7.3%</b>

Source: Census American Community Survey, 5-Year Estimates, 2019, 2020



## 6. FINANCIAL CAPACITY & SUSTAINABILITY

Business incubators need to cover costs in some fashion. For starters, most (83%) are also organized as non-profits.<sup>19</sup> It is normal within the industry for incubators to receive some form of ongoing funding from entities such as local government, universities, or tribal entities. On average, in 2019/20 incubators drew 29% of revenues from government, and another 14% from universities. Those that are not receiving subsidies typically pay for expenses using equity or licensing agreements with tenants and graduates, a model that is more viable in high-growth technology environments but not in North Central Idaho. Incubators typically do receive some level of funds from space rental, membership, and services (averaging 26% of revenues) but not nearly enough to cover their costs.

As noted in Chapter 3. Socioeconomic Analysis, incomes in the Reservation area surrounding Lapwai tend to be lower than the state and national averages, and expendable incomes tend to be very low, all factors that point to an even reduced expectation to receive large doses of revenue from participants and tenants.

*The Incubator should seek to self-fund as much of its operations as possible with earned revenue, while recognizing that grants and non-profit donations are essential to its long-term sustainability.*

Rarely do non-profit enterprises have the luxury of an unfaltering annual revenue stream from a single foundation or donor. Grant-making organizations, whether private or federal, need to see evidence of value being provided to the community and every effort being made by the Nimiipuu Fund to cover its own costs. Non-profits also typically seek to distribute risk by seeing evidence of “buy-in” both other non-profit entities. For that reason, PC recommends that the Nimiipuu Fund seeks funding first from a handful of national and regional non-profit entities, before pursuing grant funding from the BIA, or at least simultaneous to this effort.

### Revenue Model

Revenue for the Incubator will be acquired through a variety of sources including both earned and non-earned revenue. Potential sources of revenue built into PC’s model include the following:

#### *Earned Revenue*

- Coworking space rentals
- Incubator membership fees
- Event Space and conference room space rentals
- Retail sales of arts & crafts supplies
- Participation fees in classes

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<sup>19</sup> Ibid., UBI

## Donations & Grants

It is difficult to predict the exact sources of donations, grants, and in-kind support as it could include a mix of local, state, university, and foundation sources. For that reason, PC's model does not specify the ultimate source of these additional funds, though recommendations are provided in the following section.

One source that can be counted with relative confidence is the BIA Indian Business Incubators Program (IBIP).<sup>20</sup> Given the Nimiipuu Fund's strong local performance and with the output of this feasibility study in-hand, the Nimiipuu Fund has strong odds of being awarded these funds. The awards are competitive and will be issued to between ten and 15 organizations per year, for a maximum of \$300K and a minimum of \$100K.<sup>21</sup> Federal regulations require that the three-year grant must be less than 25% of the Incubator's total revenue stream. IBIP funds can be renewed, but after the initial award they must account for less than two-thirds (67%) of the revenue stream. In other words, within its first three years of existence the Incubator must make up some ground in its revenue model via non-federal sources.<sup>22</sup>

PC's pro forma assumes an adequate amount of funding from non-federal sources to stay beneath the long-term thresholds noted here. In initial years, the Nimiipuu Fund can afford to depend higher on federal sources, as it builds out its network of other funding partners (provided it remains below the 25% threshold).

## Additional Fundraising Options

There are numerous potential funding organizations both within North Central Idaho and for a broader region. To be clear, none of the following organizations have been contacted by PC or the Nimiipuu Fund, but these are likely candidates in terms of mission alignment and/or location. The national organizations listed (e.g.: The Ford Foundation) are listed not just due to their size but due to an established track record of donating the Native American related causes.

The Incubator's leadership will need to scan the mission statements and grant-making sections of each organizations website to determine the best alignment strategy and approach. The Other Federal agencies listed here can serve as funding partners, but the Nimiipuu Fund must be aware to abide by BIA's requirement of not duplicating federal funds. In totality the federal funds received cannot exceed the 33% threshold previously mentioned in the long run.

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<sup>20</sup> <https://www.bia.gov/as-ia/raca/regulations-and-other-documents-in-development/IBIP>

<sup>21</sup> Federal Register, "Indian Business Incubators Program (IBIP) Grants Under the Native American Business Incubator Act of 2020," <https://www.federalregister.gov/documents/2022/03/23/2022-06077/indian-businessincubators-program-ibip-grants-under-the-native-american-business-incubator-act-of>

<sup>22</sup> Tribal Consultation on the proposed rule for the IBIP, Office of Indian Economic Development, <https://www.bia.gov/service/grants/ibip/indian-business-incubators-program-ibip-resources>.

**Table 9: Potential Funding Sources Outside of BIA**

Category	Organizations
Local Philanthropic	Innovia Foundation, LC Valley Healthcare Foundation
Higher Education <sup>23</sup>	University of Idaho, Lewis-Clark State College, Northwest Indian College
Regional	Bill & Melinda Gates Foundation, JA and Kathryn Albertson Foundation, Micron Foundation, Idaho Community Foundation, Laura Moore Cunningham Foundation, Harry W. Morrison Foundation, Paul G. Allen Family Foundation, MJ Murdock Charitable Trust, Idaho Department of Commerce
National	Northwest Area Foundation, First Nations Development Institute, Ford Foundation, WK Kellogg Foundation, Lilly Endowment, Robert Wood Johnson Foundation
Other Federal	USDA Rural Development, Rural Microentrepreneur Assistance Program, CDFI Fund, Economic Development Administration, Administration for Native Americans

**Pro Forma Model**

Pro formas are a tool used by finance and real estate professionals to forecast the performance of a real estate asset. They are intended to reveal whether a project will generate sufficient revenue to cover the cost of construction and operational expenses. The following pro forma is supported by a more detailed spreadsheet provided to the Nimiipuu Fund at the time of delivering this report. Importantly, the estimates provided here are the forecasted revenue and expenses once fully operational, not at time of start-up. Typically, expenses tend to be higher and revenues lower in the initial years of operation, but it is not our intent to model years of irregular financial performance. Also, all dollar values are based on 2022 values at the time of publishing the report. If construction and opening occur in subsequent years, the costs can be assumed to increase on both the revenue and costs sides, by a roughly equal degree.

As shown in Table 10 the Incubator is forecasted to obtain \$384K in revenue per year, of which 6% is earned from fees and tenant rentals, and the remainder from grants and donations. Annual expenses are forecasted at \$281K, of which 69% are personnel-related, including both staff and contractors. The difference between revenue and expenses is called EBITDA (earnings before interest, taxes, deductions, and adjustments), which equates to roughly \$104K (see Table 11). Since there organization will be a non-profit, taxes and profit shares will not be withdrawn, so the largest remaining expense is any amount of loan that would be required to cover the cost of construction.

<sup>23</sup> The listed higher education institutions do not typically serve as grant-funders, but could serve as partners when sharing costs and resources for entrepreneurship and business-related programming.

The total cost to build and outfit the building is estimated at \$2.17M with which PC made some standard loan assumptions to arrive at the interest, principal and depreciation vales. Ultimately, the \$826 of cash flow for the Nimiipuu Incubator would essentially result in little year over year carry of operating reserves, but it would cover its own expenses.

**Table 10: Incubator Sources of Revenue, Annually at Stable Performance**

Income Category	Amount	Notes
Coworking Rentals	\$4,500	Assumed \$25/month for average of 15 users/month
Incubator Membership Fees	\$4,000	Assumes 2 cohorts/year of 8 participating businesses, paying \$250 for membership
Event/Conference Room Rentals	\$8,460	Assumes 2 conference rooms at market rate averages for average of 5 bookings a month, and venue rental at average of once per month
Arts & Crafts Supplies	\$2,500	Direct purchase from facility users
Classes (excluding Incubator participants)	\$1,800	Participants from community not enrolled in Incubator @ \$15/session
<b>Earned Income</b>	<b>\$21,260</b>	
BIA IBIP	\$245,000	Slightly less than max annual amount for a 3-year grant award from IBIP, while remaining under long-term 33% threshold rule
Additional Gov't, University, or Foundation Funding	\$112,000	variety of sources and options
Individual/Small Corporate Donations	\$6,000	includes GoFundMe, ongoing support from local individuals and businesses, etc.
<b>Donations &amp; Grants</b>	<b>\$363,000</b>	
<b>TOTAL INCOME</b>	<b>\$384,260</b>	

Source: Points Consulting, 2022

**Table 11: Incubator Expenses, Annually at Stable Performance**

Expenses	Amount	Notes
Full Time Employees	\$99,528	2 FT staff
Part Time Employees	\$34,070	1.00 FTE support staff
Fringe Benefits	\$11,545	11.6% of income per IRS Standards in 2020
Payroll Taxes	\$10,200	employer shared %-ages per IRS standards
Consultants & Contractors (i.e., Instructors)	\$37,500	
Total Personnel Expenses	\$192,844	
Property Taxes	\$0	
Total Property Tax	\$0	
Incubator Training Subscriptions	\$25,000	Initiate or similar program
Facility Care/Maintenance	\$12,000	industry average
Utilities	\$10,000	avg for Idaho*
Marketing/Advertising/Website	\$8,500	industry average
Cable/Internet/Phone/Security	\$7,500	industry average
Supplies/Misc. Equipment/Office Expense	\$2,500	industry average
Arts & Crafts Supplies Inventory (annual)	\$2,200	materials to be sold to artists
Legal/Professional Fees	\$5,000	industry average
Other Software Subscriptions	\$4,200	MS office, project management, client management, communications, IT, etc.
Accounting Fees	\$4,000	industry average
Insurance	\$3,500	industry average
Inventory Costs	\$2,000	
Bank Fees	\$1,500	
Total Admin/Op Expenses	\$87,900	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$280,744</b>	

Source: Points Consulting, 2022



**Table 12: EBITDA & Cash Flow**

Category	Amount	Notes
EBITDA	\$103,516	
Interest Expense	\$67,940	based on assumed loan
Depreciation	\$36,691	construction value over 40 years
<b>Total Adjustments</b>	<b>\$104,631</b>	
<b>NET PROFIT</b>	<b>(\$1,115)</b>	
Principal	(\$34,750)	
Depreciation	\$36,691	
Cash Flow	\$826	

Source: Points Consulting, 2022

### Building and & Loan Assumptions

The following assumptions were utilized by PC in developing the construction cost and loan value estimates. These can easily be adjusted with the pro forma spreadsheet as the Nimiipuu Fund obtains quotes and further details from builders and financing entities about the specific site, building and loan package.

**Table 13: Incubator Building Assumptions**

Category	Amount	Notes
Building	\$1,422,641	Via RSMeans Square footage estimator for Lewiston, ID area in 2022Q2 for commercial office space of 22K SF
Land Costs	\$45,000	1.5-2 acres of land with W/S in an incorporated area
Soft Costs	\$426,793	Industry standard multiplier of 30% on top of building cost
Furniture, Fixtures & Equipment (FF&E):	\$280,000	Industry standard for mid-level quality fixtures in 22K SF building
Loan Terms	--	30-year amortization, 4.25% interest rate <sup>24</sup> , 80% debt to equity ratio

Source: Points Consulting, 2022

<sup>24</sup> This interest rate is significantly lower than current commercial loan rates as of May, 2022. It is assumed that the Tribe would get a preferred rate from a federally backed sponsor.

## 7. COMMUNITY ENGAGEMENT SUMMARY

The project team conducted in-depth interviews and a community survey with Stakeholders and the Nez Perce community. The project team interviewed 12 community and tribal representatives including community and economic development officials, small business owners, and board members. We also had the opportunities to discuss with local Native Business Incubator executives and teams about their own incubator operations, plans, and comments.

### In-Depth Interviews

During the project teams interviews with participants, it was universally supported to establish the Business Incubator to continue Nimiipuu Fund operations and create an environment for small business, entrepreneurs and the community to come together. Many members wish to see successful businesses become more visible in their community and encourage small business development. Discussions on entrepreneurship also connects the desires for those in entry to mid-level careers to stay in the local area rather than moving to metro areas for work opportunities.

### Regional Strengths

#### *Community*

The Nez Perce Tribe showcases the need for members, families, friends, and neighbors to stay connected, especially after time such as the COVID-19 pandemic where interactions were limited or nonexistent. The generational connections are also of importance for the community, as younger generations are brought up to learn the history, resources, and skills of the Nimiipuu and continue traditions. Resources that assist individuals while connecting people together to support one another is a greatly encouraged idea by members.

#### *Perseverance*

Leaders in the Nimiipuu Tribe as we have learned have continued a successful journey in recovering their rightfully owned land. This is one example of the Nez Perce securing their heritage for generations to come. Future plans for some areas are to expand current economic and business developments in the areas, and rekindle the cultural strengths of trade, art, history, etc.

### Barriers & Challenges

#### *Communication*

Communication between members, leaders and business entities is a reoccurring challenge in the community. Marketing products, services, events, etc. ties into the circle of communication, with not all residents having access or interest in using online platforms. At the same time some have expressed a need for more transparent communication to better understand what is being promoted, offered, and available to them.

## Gaps & Needs

### *Space*

As the community grows larger in their elder community and younger cohorts between ages 15- to 30-years they are in need of more space to connect, celebrate, and work. With broadband and remote work in the area being very limited, other than commuting there is a outstanding need for more space. A centralized large and local space is encouraged for multiple groups to meet and not work around each other's meetings schedule.

### *Accessibility*

The ability for tribal members and residents on the Nez Perce Reservation to access strong internet and broadband is a significant impact component for those to work remotely, seek individual education and training and connect to potential markets. This need goes hand-in-hand with the needs for space to access available network connections.

## Community Survey

### *Introduction*

Points Consulting and The Nimiipuu Fund conducted a community survey in the Lapwai community and during local Native American events between February and April 2022. A total of 182 unique responses were collected. The majority of respondents utilized the paper survey during multiple in person events and promotion, while the remainder responded via the electronic survey. Respondents were predominantly those who are members of the Nez Perce Tribe.

Points Consulting met with numerous individuals who have interest in developing the proposed idea of a Business Incubator and to provide their visions or ask how we intend to contribute to this concept.

The survey included a mix of both fixed response questions (e.g., multiple choice, selection and scaled responses), and open-ended questions. Please note that tables that contain "Average Score" which translates textual responses into a quantitative score (e.g., Strongly Agree = 5, Agree =4, etc.). This allows the project team to compare and rank the interest levels for each concept. PC also utilized a thematic coding method to group open-ended responses into categories that are largely similar.

### Summary of Findings

Positive responses for establishing and having an incubator, and resources for business, new or current, development. The majority of respondents are members of the Nez Perce Tribe (62.9%) and of them more than 51% are employees of undisclosed business, organization or corporation. Individuals who currently have or intend to own and operate their own business responded that their spouse or partner are the ones who support their efforts the most. Followed by parents or grandparents and children. The community has made note that they would most like to have art & cultural workshops open to the public, office space, artist co-op/creative workspace, strong Wi-Fi, classroom/workshop spaces, and conference

rooms for events and presentations. For businesses, start-ups and entrepreneurs providing access to professional assistance, funds and grants, and hosting events to connect the community and the Incubator are strongly needed.

## Community Survey Responses

**Table 14: Are you a member of the Nez Perce Tribe?**

Group	Number	Percentage
Yes	122	62.9%
No	36	18.6%
Other	36	18.6%
<b>Grand Total</b>	<b>194</b>	<b>100.0%</b>

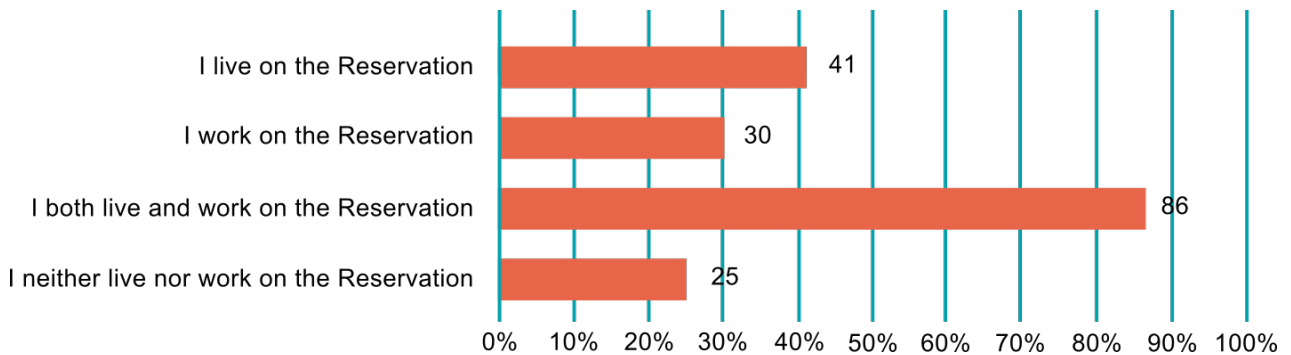
**Figure 18: Coded responses: Are you a member of the Nez Perce Tribe? ('Other'):**



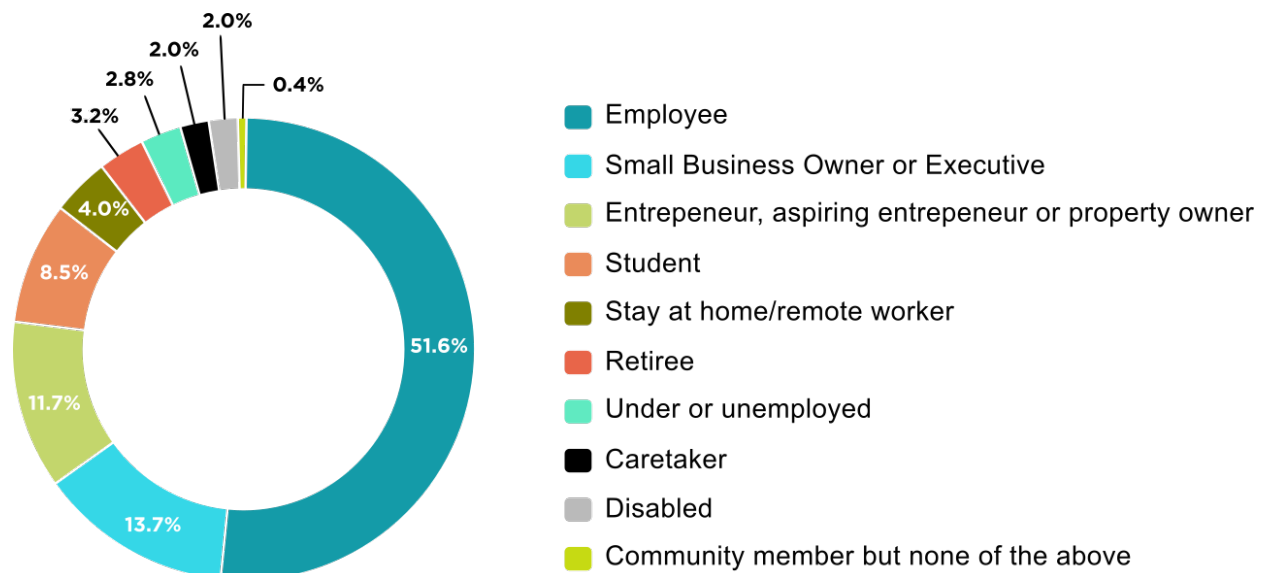
**Table 15: Do you live and/or work on the Nez Perce Reservation?**

Group	Number	Percentage
I live on the Reservation	41	22.5%
I work on the Reservation	30	16.5%
I both live and work on the Reservation	86	47.3%
<b>Grand Total</b>	<b>182</b>	<b>100.0%</b>

**Figure 19: Do you live and/or work on the Nez Perce Reservation?**



**Figure 20: What categories best describe your work situation?  
(Select as many as are relevant)**

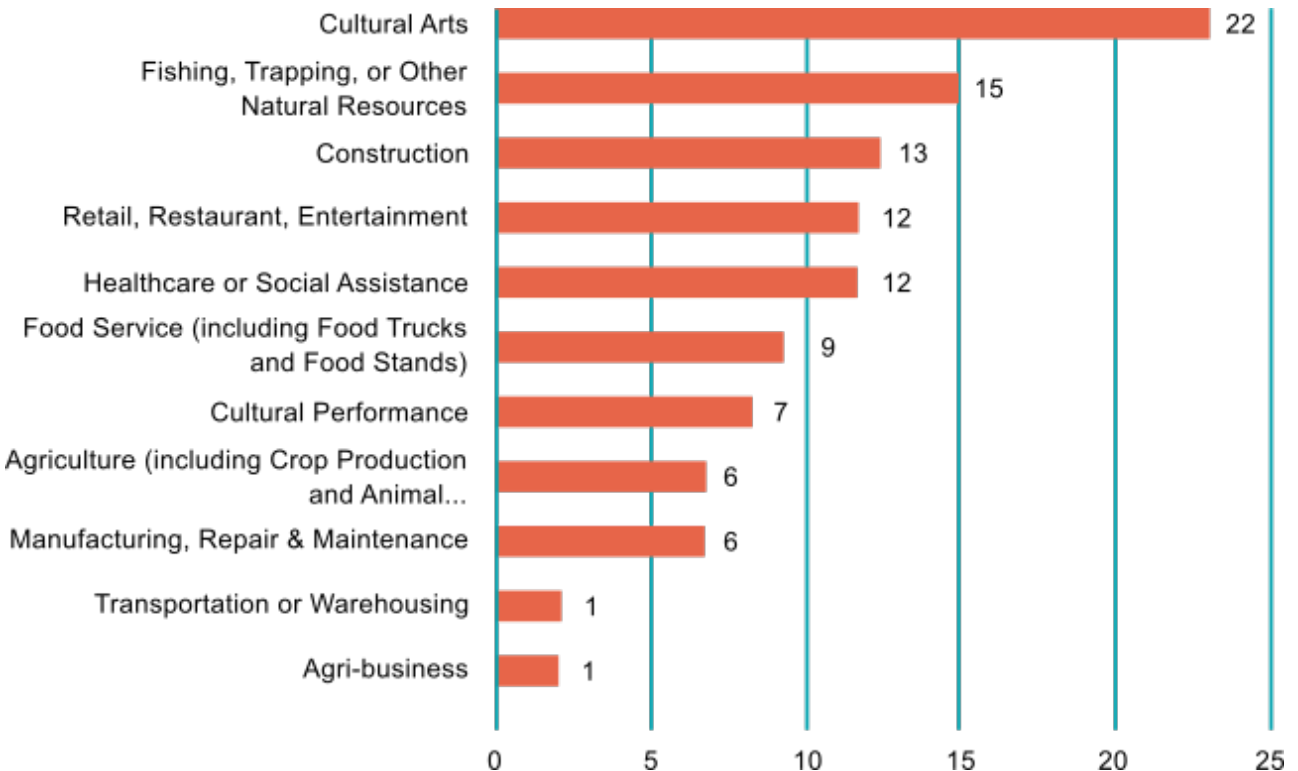




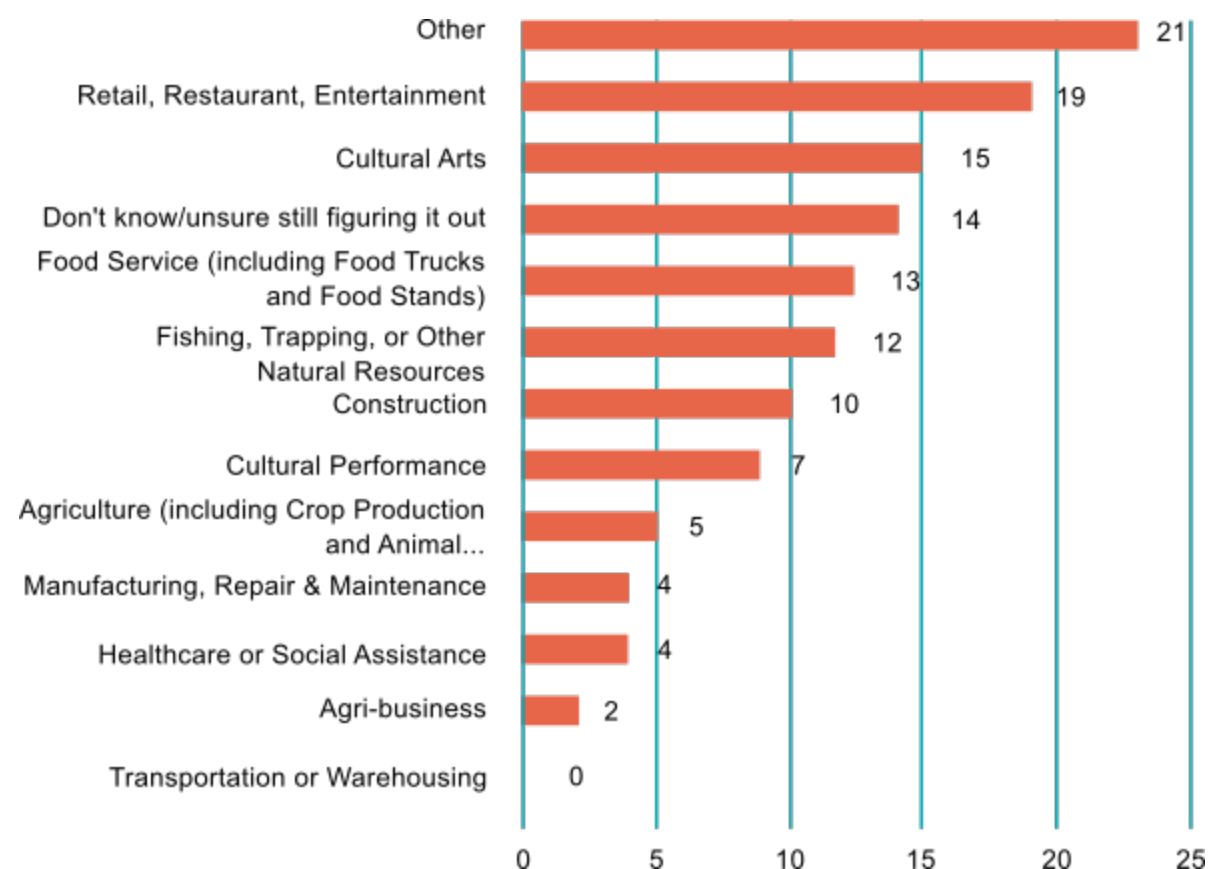
**Table 16: What categories best describe your work situation?  
(Select as many as are relevant)**

Group	Number	Percentage
Employee	128	51.6%
Small business owner or executive	34	13.7%
Entrepreneur, aspiring entrepreneur or property owner	29	11.7%
Student	21	8.5%
Stay at home/remote worker	10	4.0%
Retiree	8	3.2%
Under or Unemployed	7	2.8%
Community member but none of the above	1	0.4%
<b>Grand Total</b>	<b>248</b>	<b>100.0%</b>

**Figure 21: If a small business owner or executive: What type of business or industry are you engaged in? (Select as many as relevant)**



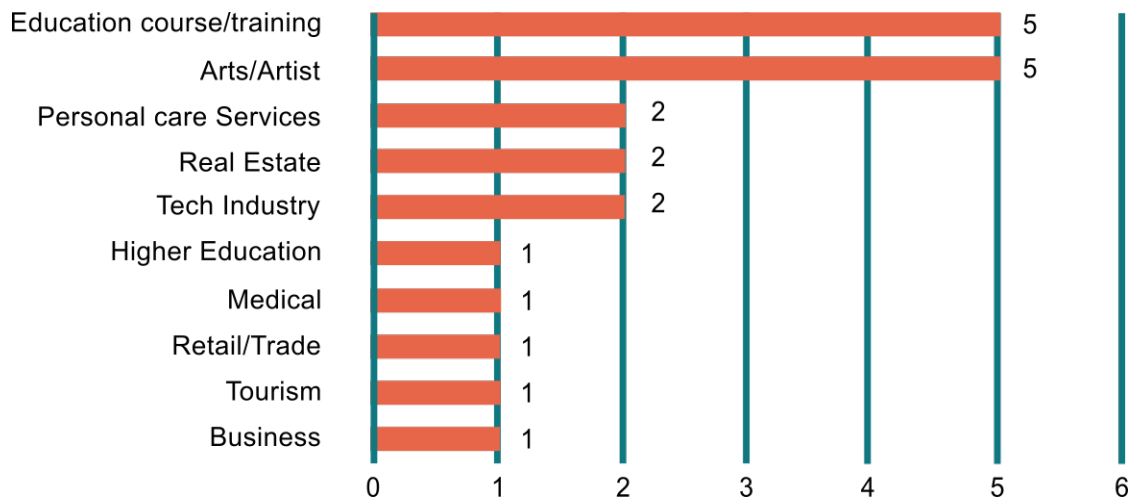
**Figure 22: If an entrepreneur or aspiring entrepreneur: What type of business or start-up are you interested in developing? (Select as many as are relevant)**



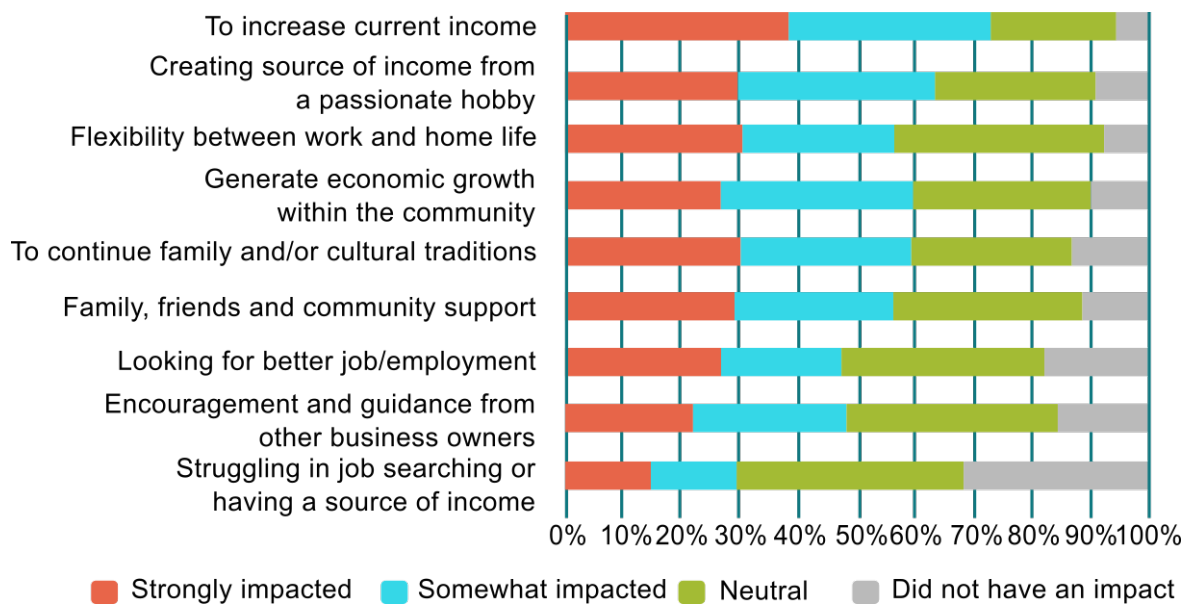
**Table 17: Coded Response: What type of business or industry are you engaged in? ('Other'):**

Group	Number	Percentage
Education course/training	5	23.8%
Arts/Artist	5	23.8%
Personal care Services	2	9.5%
Real Estate	2	9.5%
Tech Industry	2	9.5%
Higher Education	1	4.8%
Medical	1	4.8%
Retail/Trade	1	4.8%
Tourism	1	4.8%
Business	1	4.8%
<b>Grand Total</b>	<b>21</b>	<b>100.0%</b>

**Figure 23: Coded Response: What type of business or industry are you engaged in? ('Other'):**



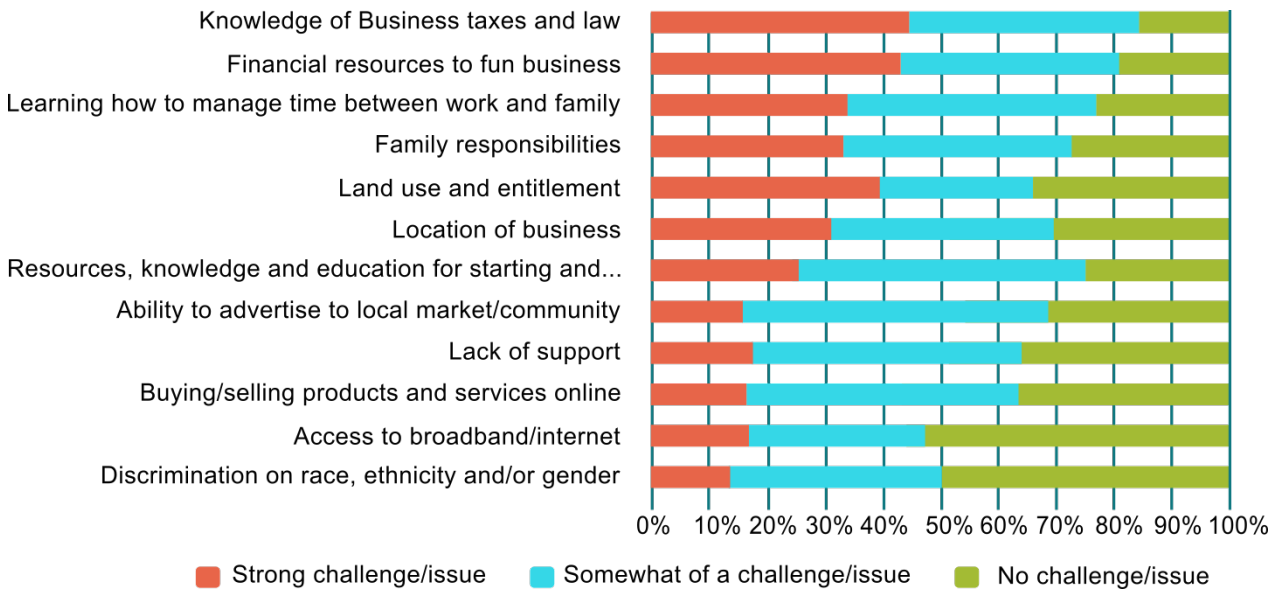
**Figure 24: Which of the following has been a factor in contributing to your small business efforts?**



**Table 18: Which of the following has been a factor in contributing to your small business efforts?**

Options	Strongly impacted	Somewhat impacted	Neutral	Did not have an impact	Average Score
To increase current income	48	43	27	7	2.06
Creating source of income from a passionate hobby	39	44	36	12	1.84
Flexibility between work and home life	39	33	46	10	1.79
Generate economic growth within the community	33	40	38	12	1.76
To continue family and/or cultural traditions	36	35	33	16	1.76
Family, friends and community support	36	33	40	14	1.74
Looking for better job/employment	34	26	44	23	1.56
Encouragement and guidance from other business owners	28	33	46	20	1.54
Struggling in job searching or having a source of income	18	18	48	39	1.12

**Figure 25: Which of the following are current issues or challenges you face in starting, maintaining or growing your business/business concept?**

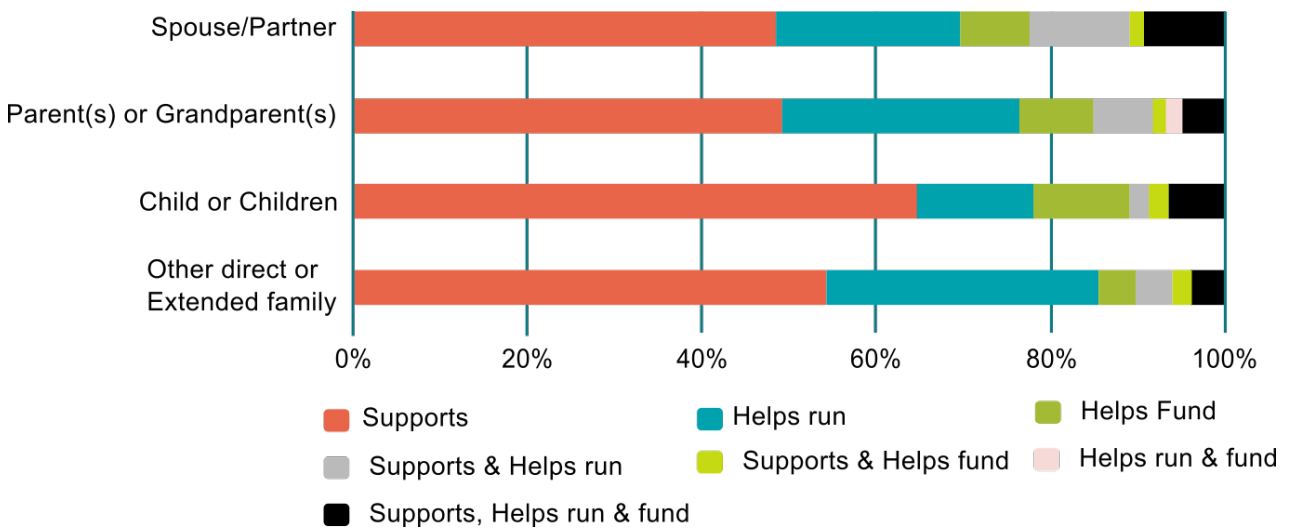


**Table 19: Which of the following are current issues or challenges you face in starting, maintaining, or growing your business/business concept?**

	Strong challenge/issue	Somewhat of a challenge/issue	No challenge/issue	Average Score
Knowledge of business taxes and law	54	48	19	1.29
Financial resources to fund business	54	47	24	1.24
Learning how to manage time between work and family	43	54	29	1.11
Family responsibilities	44	52	36	1.06
Land use and entitlement	21	14	18	1.06
Location of business	39	48	38	1.01
Resources, knowledge and education for starting and running a business	32	62	31	1.01
Ability to advertise to local market/community	20	67	40	0.84
Lack of support	22	58	45	0.82
Buying/selling products and services online	20	58	45	0.80
Access to broadband/internet	19	34	59	0.64
Discrimination on race, ethnicity and/or gender	7	19	26	0.63



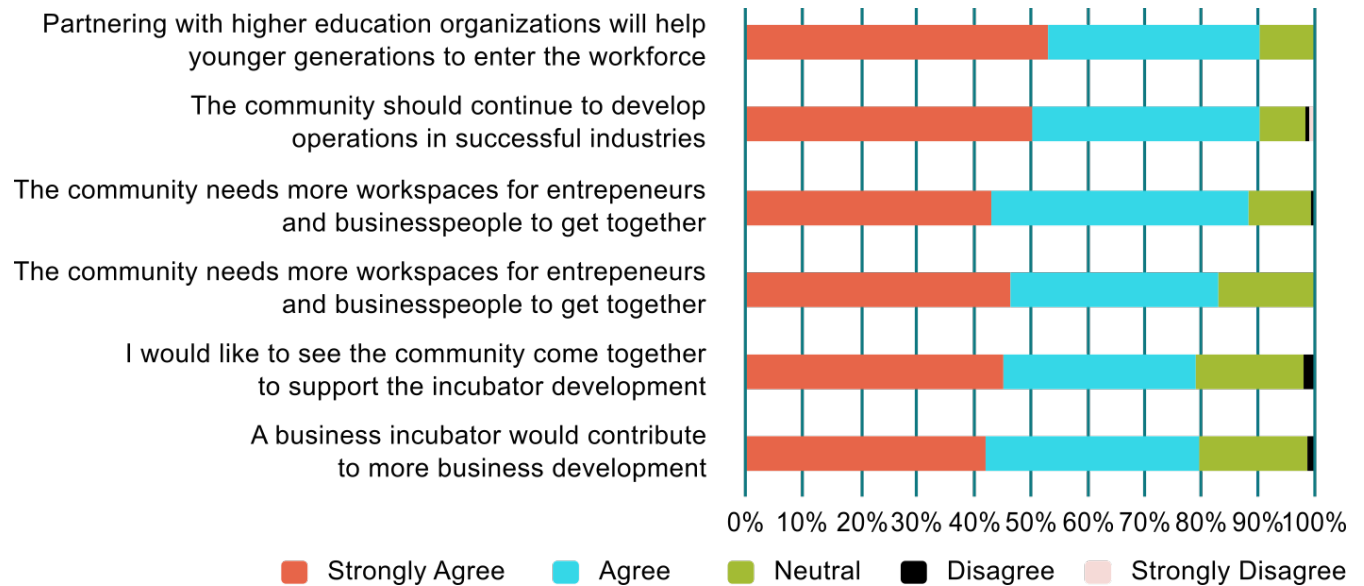
**Figure 26: To what extent, do any of the following help run, support or provide funds for your business or business concept?**



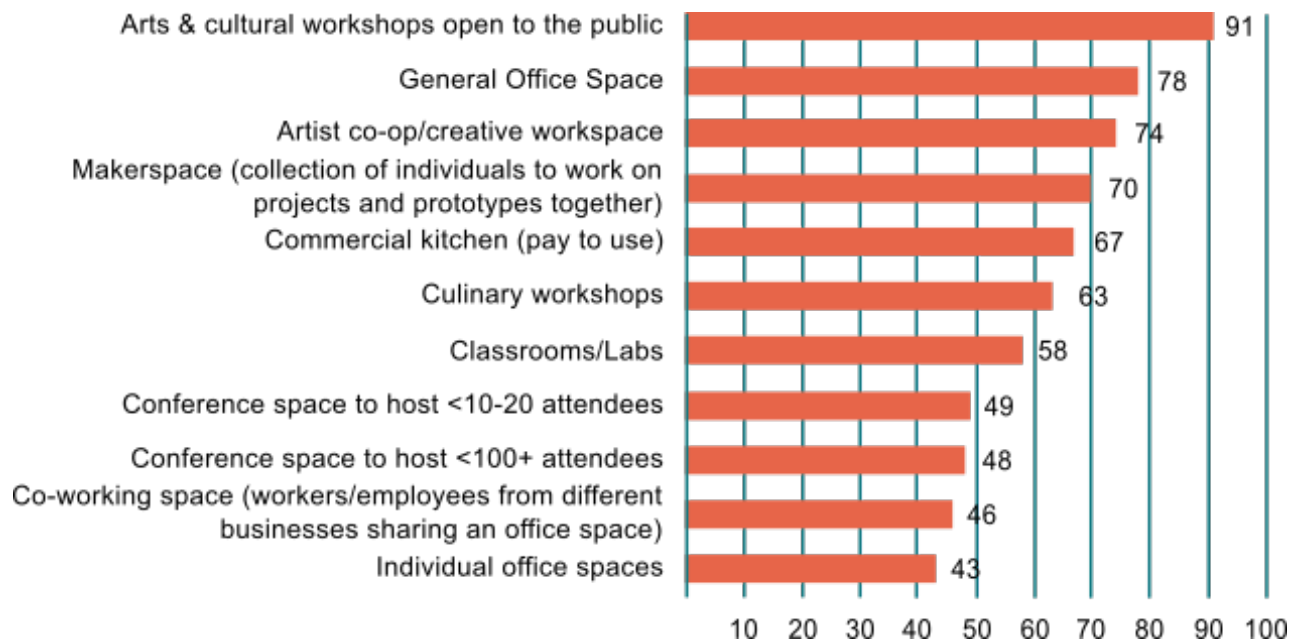
**Table 20: To what extent do you agree with the following statements?**

	Strongly agree	Agree	Disagree	Strongly disagree	Weight Average	Weight Average
Partnering with higher education organizations will help younger generations to entering the workforce	79	55	15	0	0	4.43
The community should continue to develop operations in successful industries	66	52	11	1	1	4.38
The community needs more workspaces for entrepreneurs and businesspeople to get together	66	69	17	1	0	4.31
I would like to see the community come together to support the Incubator development	68	53	25	0	0	4.29
The community needs more accessible space for meetings, events, and workshops	66	49	28	3	0	4.22
A Business Incubator would contribute to more business development	64	57	29	2	0	4.20

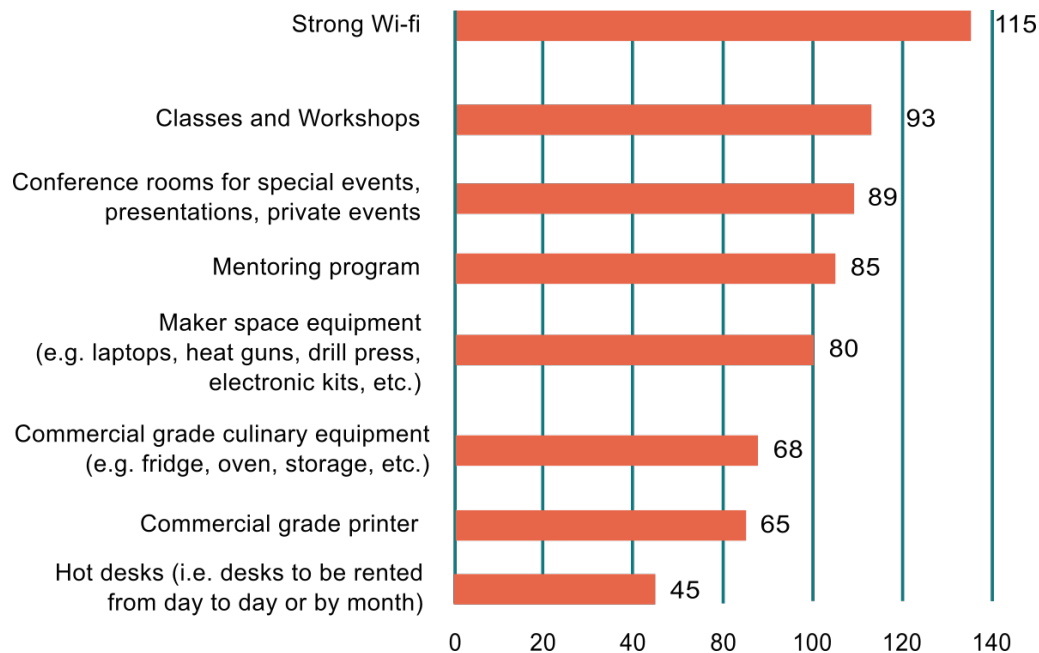
**Figure 27: To what extent do you agree with the following statements?**



**Figure 28: From the following types of commercial spaces and activities, which would you like to see in the Business Incubator? (Select as many as are relevant)**



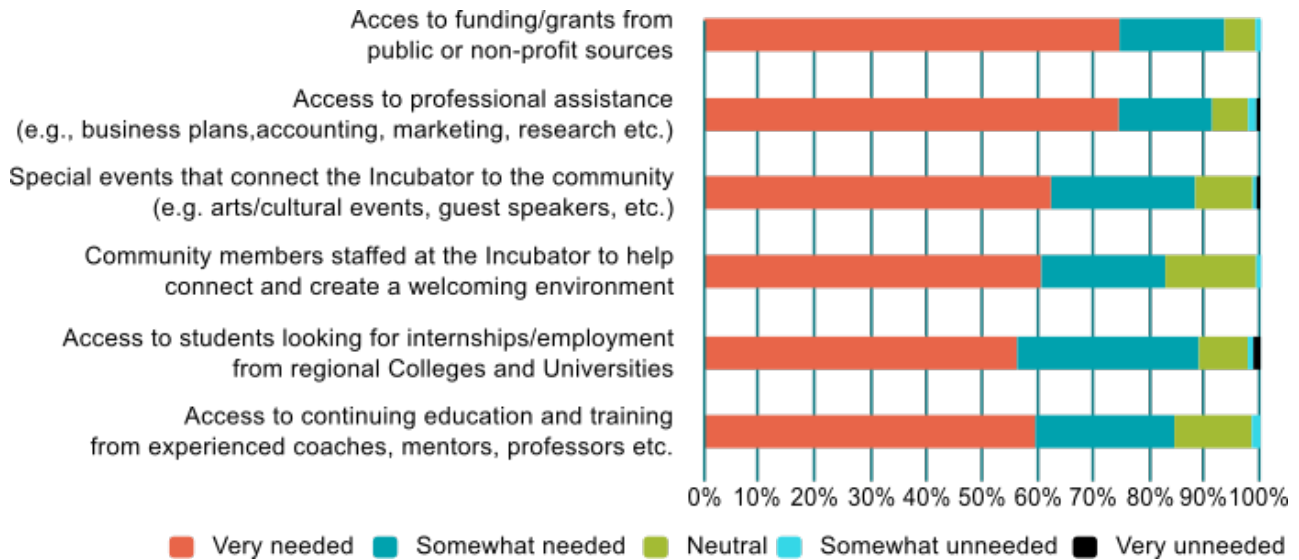
**Figure 29: What types of physical amenities are needed at the Business Incubator?  
(Select as many as are relevant)**



**Table 21: To what degree are the following important community amenities to have at the Business Incubator?**

	Very needed	Somewhat needed	Neutral	Somewhat unneeded	Very unneeded	Weighted Avg.
Access to funding/grants from public or non-profit sources	80	20	6	0	1	4.66
Access to professional assistance (e.g., business plans, accounting, marketing, research etc.)	101	22	9	2	1	4.63
Special events that connect the Incubator to the community (e.g. arts/ cultural events, guest speakers, etc.)	85	35	14	1	1	4.49
Community members staffed at the Incubator to help connect and create a welcoming environment	82	30	22	1	0	4.43
Access to students looking for internships/ employment from regional Colleges and Universities	76	44	12	1	2	4.41

**Figure 30: To what degree are the following important community amenities to have at the Business Incubator?**



**Table 22: How likely are you to use a co-working or office space at the Business Incubator based on previous concepts listed?**

Group	Number	Percentage
Very likely	13	9.4%
Likely	14	10.1%
Unsure	53	38.4%
Unlikely	42	30.4%
Very unlikely	16	11.6%
<b>Grand Total</b>	<b>138</b>	<b>100.0%</b>

**Table 23: How likely would someone that you know use a co-working or office space at the Business Incubator?**

Group	Number	Percentage
Very likely	15	10.8%
Likely	10	7.2%
Unsure	47	33.8%
Unlikely	44	31.7%
Very unlikely	23	16.5%
<b>Grand Total</b>	<b>139</b>	<b>100.0%</b>

**Table 24: For any reason, how often would you visit the Business Incubator?**

Group	Number	Percentage
Every day	18	12.7%
A few times per week	31	21.8%
A few times per month	55	38.7%
A few times per year	34	23.9%
Once a year or less	4	2.8%
<b>Grand Total</b>	<b>142</b>	<b>100.0%</b>

**Figure 31: Coded Responses: Do you have any other thoughts or comments about the Nimiipuu Business Incubator?**





**Table 25: Coded Responses: Do you have any other thoughts or comments about the Nimiipuu Business Incubator?**

Group	Number	Percentage
No further comments/ N/A	27	27.8%
Supportive of idea	14	14.4%
Need for space/meetings	11	11.3%
Appreciation of work/Thank you's	7	7.2%
Need for professional amenities	6	6.2%
Marketing	6	6.2%
Location	4	4.1%
Doesn't know what a Business Incubator is	3	3.1%
Support younger generations	3	3.1%
Education/training	3	3.1%
Art workshop/co-op	3	3.1%
More programs and workshops	2	2.1%
Facility management/operations	2	2.1%
Mentorship	2	2.1%
Positive impact for business/economic growth	2	2.1%
Community/Cultural events	2	2.1%
<b>Grand Total</b>	<b>97</b>	<b>100.0%</b>

## 8. POTENTIAL INCUBATOR LOCATIONS

During the project team's discussion with stakeholders and the community, one of the most common questions asked was "where will it be located." Though there was no firm answer to that question at the time of community engagement, the PC team has developed our rationale and recommendations since that time. Further discussions and planning with Nimiipuu Fund and other leaders resulted in identification of the following key factors:

- Land ownership and availability
- Commuting convenience
- Highway frontage/visibility
- Accessibility to consumers (particularly for retail related tenants)
- Adjacent and surround space for future development

Land ownership is particularly important as developable land in Nez Perce County is limited both by environmental issues, and land ownership status. Data from federal sources indicate that just 31% of lands in Nez Perce County are privately owned, which could include both tribal and non-tribal members. The Nez Perce Tribe itself is in possession of 48% of all of the County's land, but much of this is best used as forest or croplands.<sup>25</sup> On the one hand, the high proportion of tribal land ownership is helpful toward the Incubator's development, but not all of those lands have the same ownership status, with some being in "fee" and others in "trust" status. Lands owned by tribal trust means that development is subject to considerable federal oversight by the BIA. Given the challenge of these limited spaces, it is not surprising that tribal members and leaders have many competing desires for use of available parcels.

One important factor in the tribe's land use decisions are the recent acquisitions and developments of the rangeland directly north of the Clearwater River Casino & Lodge. In 2021 the Tribe purchased 358 acres, for the primary purpose of economic development.<sup>26</sup> As part of this development, the tribe is working with ITD to upgrade the interchange between Nez Perce Road (the entrance to the Casino) and HWY 95/12.<sup>27</sup>

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<sup>25</sup> Headwaters Economics, Economic Profile System, <https://headwaterseconomics.org/apps/economic-profile-system/16069>.

<sup>26</sup> Lewiston Tribune, Elaine Williams, [https://www.union-bulletin.com/news/northwest/nez-pierce-tribe-purchases-358-acres-of-land-near-casino/article\\_e755e902-32ca-11ec-a051-Q3f0ccc431d7.html](https://www.union-bulletin.com/news/northwest/nez-pierce-tribe-purchases-358-acres-of-land-near-casino/article_e755e902-32ca-11ec-a051-Q3f0ccc431d7.html).

<sup>27</sup> Big Country News, Plans Moving Forward for US12/US95 Interchange Near Clearwater River Casino, [https://www.bigcountrynewsconnection.com/idaho/plans-moving-forward-for-us12-us95-interchange-near-clearwater-river-casino/article\\_c0832ed0-0c56-11ea-a3bf-23e2ae225db1.html](https://www.bigcountrynewsconnection.com/idaho/plans-moving-forward-for-us12-us95-interchange-near-clearwater-river-casino/article_c0832ed0-0c56-11ea-a3bf-23e2ae225db1.html).

## Pros & Cons of Various Site Options

### *Casino Area*

#### Pro's

- Available land for development
- Tribal owned land
- Potential collaboration with the Nez Perce Enterprise
- Available retail and tourism market
- Off Highway 95
- Slightly closer to Lapwai residents

#### Cons

- Possible for temporary facilities to become permanent
- Delayed development of highway expansion project
- Need to grade and level large tracts of the acreage
- Transportation to and from location

### *Spalding Landing*

#### Pro's

- On Highway 95
- Space for commercial development
- Slightly closer to Lapwai residents

#### Cons

- Multiple organizations competing for use
- Cost of utilities
- Future development has limited space
- More ideal for industrial development

### *City of Lapwai*

#### Pro's

- Convenient location for residents
- Concentration of transportation/ services and commercial use
- On Highway 95

#### Cons

- Land entitlement challenges
- Potential challenges in drawing in non-tribal customers
- Space for future expansion

## Site Recommendations

Ultimately, PC recommends the Incubator be located at the Casino Area. Due to the communities' clearly articulated need for retail space, there is no comparison to the amount of existing auto traffic, and outlet to non-tribal consumers. In theory, such a space could be developed elsewhere but it would not be clustered with an existing and familiar asset. The interchange will take time to develop, but it will also take the Nimiipuu Fund time to build out its capital stack in preparation of development.

If the Incubator is functional and has tenants prior to completion of the interchange project, the Nimiipuu Fund may consider a phased approach of development, wherein the retail tenants can use temporary space (such as manufactured portables) at the same site. However, if this strategy is pursued, it should be kept in mind that people will spend up the quality of the environment that surrounds them. Funds would need to be utilized for site beatification and customers should know, via prominent signage that a better and more permanent solution is planned for development.

## Site Images

### Casino Area



### Spalding





Lapwai



South Lapwai





## 9. PROJECT BACKGROUND/LITERATURE REVIEW

### Nez Perce Incubator Study

In 2009 the Nez Perce Tribe along with subcontractor Agnew::Beck facilitated a business plan and feasibility study for the development of a “one-stop-shop” Business Development Center. The need behind the study was more tribal members to obtain the resources they need for workforce growth and development. The study developed multiple areas of need to address including, facility location, cost of construction, wages, revenue, funding, identify specific spaces used in center, etc. The Nimiipuu community struggle with under- and unemployment and lack the convenience of nearby spaces to assists in their small businesses, start-ups, entry-level careers, and entrepreneurs. Is it identified of the specific hierarchy of who will manage and fund the center, and breakdown of anticipated expenditures over five year periods. Interviews were conducted with higher education groups to speculate if the sight were to be built that they could partner for outreach programs and use space for students. Northwest Indian College (NWIC) was the most outspoken to use the site for their students to use and rent space for labs, classes, etc. Other current and ongoing programs were also supported to use the site and analysis of additional workshops to train current entry level positions to grow in their position. Overall, the estimate cost of the project was \$4,978,389. This was estimated at \$122.05/sqft referencing the most recent Nez Perce construction of Nimiipuu Health and Nez Perce Casino and Hotel.

### WSU Feasibility Study of Education, Training, and Business Development (ETBD) for the Nez Perce Tribe

Conducted in 2011 by Washington State University they reviewed the 2009 study done by Agnew::Beck and reassessed the current demand and supply needed for the site. However, in December 2009 CKA reviewed the construction cost of the 2009 study and determined new estimates for expenditures and revenues. In December of 2009 the new cost of the facility was \$9,784,882 and reviewed in 2011 this would be estimated at \$9,437,602. The team broke down their cost estimate of the ETBD and suggested two alternative developments based off their own interviews in the Tribe. One of the options was to add a Culture Resource Center as an addition to the Business Center. This would allow workspace to continue native crafting, classes to teach cultural activities, gift shops, tourist center, etc. This option was favorable with the addition of revenue being brought in from local and nonlocals to be redistributed back into the Tribe. The cost for the addition is estimated at \$10,178,994. The second option is to keep the ETBD, add the Culture Resource Center but remove the Early Childhood Education space. The cost for the concept is at \$7,210,457. The reduction of the Education space is explained as a financial suggestion, and not to disregard for the need. However, there are current facilities used for Childhood Education and can continue to develop those established areas. The proposed site is noted to be at a slope and estimates that the Childhood Program would likely expand over time this

could cause future costs in construction to stabilize or future repairs. Additionally, the space for parking would need to be implemented and outdoor space would also be reduced in the area. For the Business Incubator development, it was suggested community members expand occupation and experience in fields such as Printing, Manufacturing, Transportation, Farming, and Banking. Also, to look at opportunities to establish more jobs in current occupied industries like Gaming, Catering, Fisheries, Natural Resources, Forestry, Health, and Tourism. For local support and funding NWIC continued to show support in the development, however local colleges such as Walla Walla, LCSC, UoI, and WSU were not as interested in renting space for their students or adding outreach programs. Local school districts, such as Lewiston were interested in the concept, but had concerns with travel between the schools and Lapwai.

### **Nez Perce Community Review**

The Idaho Community Review Program (ICRP) conducted a series of surveys and focus groups in 2012 and found that members of the Nez Perce Tribe in Lapwai want more businesses that are locally owned and reflect their local culture. However, local entrepreneurs lack access to education and assistance regarding starting their own businesses. This stifles entrepreneurial progress, since a lack of mentorship is cited as an obstacle to the advancement of their business pursuits. These concerns were reflected in residents' responses to the economic development-related section of the survey, where 44% of a total of 142 respondents mentioned they were unsatisfied with the current job training services available in the community. Business involvement in Lapwai was also a source of dissatisfaction, with 49% expressing their displeasure at the level of involvement in the community. Members of the community would like to combine private and public investment, along with entrepreneurship and improvements to infrastructure in order to improve the image of the City of Lapwai as the capital of the Nez Perce Tribe, since currently, many tribal members residing in and out of the city do not perceive Lapwai in a positive light. Residents also expressed the desire for more coordination between city, council and tribal rules, since there exists some confusion regarding which government has redevelopment authority.

The city of Lewiston, on the other hand, is seen by tribal members as both convenient in terms of services and amenities, and as a potential threat to the survival of their local businesses. The ICRP team recommended that locals emphasize businesses that offer products and services that are unique to the area, and not otherwise available in Lewiston. In doing so, residents could experience a greater degree of independence, as well as becoming more self-sustaining. To this end, ICRP proposed the creation of a virtual, internet-based business incubator that would eventually give way to the construction of a center for business and education. Another suggestion the team made was to use an existing building for the business incubator as an intermediate step before eventually constructing a new dedicated facility.

### **Kamiah Community Review**

The ICRP administered surveys like the ones conducted in Lapwai to the residents of the Nez Perce Tribe in Kamiah. In their responses, the community also expressed a desire for an increase in economic diversification via business development, entrepreneurial and work force training, as well as vocational education. Since Kamiah's economy is transitioning from being primarily centered on forest products—as is the case with many of Idaho's other resource-based rural communities—residents are seeking resources and ideas that would help promote economic growth, along with opportunities that would allow for younger tribal members to remain in the city. Accordingly, ICRP recommended bringing training programs geared toward entrepreneurship to schools to educate younger community members on how to develop and run a business, since around 70% of Kamiah High School graduates do not pursue a college education. Also, as was the case in Lapwai, residents remarked how businesses in Lewiston took precedence over local ones in terms of support.

### **CK Education Training Center**

The Nez Perce Tribe contracted Castellaw Kom Architects in 2010 to design a yet to be built facility for business training, education and development. Their idea was to create an all-in-one space for the residents of Lapwai—young and old—to learn and develop new skills. Within the facility would be housed a small business incubator that would provide businesses with amenities such as phone and internet access that could be used by start-ups. This space would allow for a collaborative environment among budding businesses, since they would be using shared services such as office equipment, accounting, and management for small businesses. Other potential services provided to the tenants could be marketing assistance, streamlined small business loans and web hosting. The proposed center would also include a variety of other services for the wider public. Designated spaces designed to promote Nez Perce culture, such as a farmer's market for local produce, and a display area that features art created by tribal youth would be incorporated into the facility. Multi-use classrooms with state-of-the-art technology for education and training programs would serve as a space for technology-based learning opportunities, along with areas designated for programs for both youth and adult education.

### **Idaho Tribes Economic Impact**

In a 2016 study by Steven Peterson from the University of Idaho found that the Five Tribes of Idaho have a meaningful impact that diversifies the state's urban and rural economies. For instance, they directly employed 4,641 employees, which collectively made them one of the top ten employers for the state. In particular, the Nez Perce Tribe—with a membership of 3,526 people—consistently ranks as one of the top three employers in the north-central Idaho region. The Tribe had 2,842 employees in 2013, and that same year the Tribe generated a total of \$192.92 million in taxes to the state's economy.

## Oweesta Market Analysis 2018

First Nations Oweesta Corporation carried out a market analysis on behalf of the Nimiipuu Community Development Fund (NCDF) in 2018. NCDF is a financial institution that works with the traditionally underserved Nez Perce community through the provision of loan products and financial education. In their comprehensive assessment they conducted a preliminary scan of the existing market information and specified their key market research goals and strategies. Through a series of phone interviews with leaders in the NCDF service area, the researchers collected a total of 102 survey responses.

Oweesta found that AIANs in the eight-county service area had median family incomes that fell considerably below the income required for a living wage. In fact, out of all the respondents, 59 percent reported having incomes that fell below the household living wage. This is made worse by the unemployment rate in among the community—a rate that is 231.6 percent higher than the total population for AIANs in Nez Perce County, and 139.5 percent higher in Idaho County. The AIAN population in the study area also fared poorly in business ownership rates, with only 1.1 percent of businesses being owned by AIANs, even though they comprise 2.9 percent of the population. This same trend can be observed across the state of Idaho and on a nationwide basis.

Survey data also showed that 52 percent of respondents were interested in starting and owning a business. However, many of those surveyed mentioned that qualifying for a business loan was a primary barrier to starting a business. Other barriers cited included challenges such as identifying sources of financing and knowing how to run a business. Nonetheless, 40 percent of respondents said they were interested in learning how to start and run a business—more specifically, they are interested in acquiring skills in business management, financial skills, business plan development. For this reason, NCDF looks to increase the availability of financial education in the community through collaborating with other organizations, agencies, and institutions with the capacity for such training.

## Oweesta Market Analysis 2021

First Nations Oweesta Corporation carried out a similar survey to the one distributed in 2018, this time collecting 173 usable surveys in 2021. Through interviews with key leaders in the community and survey responses, NCDF was able to identify several key issues within the Nez Perce Tribal Nation membership regarding financial resources, economic need, and starting a business. One important concern which was voiced in the responses was the problem of predatory lending. Payday loans, pawn shops and “quick cash places” are used in some form by 37 percent of respondents in the region, where they are exposed to loan sharks and high interest rates. Another problem mentioned by those surveyed was the lack of housing stock in the community. Lapwai was singled out specifically as having a housing shortage, since houses tend to go quick given there are more job opportunities in this area, and many are interested in moving to the city.



This survey also found that respondents were interested in starting their own businesses, with 31.5% saying they would like to be entrepreneurs, and 56 percent interested in attending classes, training, or seeking professional advice regarding business financial issues—16 percent higher than the rate seen in the 2018 survey. Many of those surveyed would like to see more tribally-owned businesses, such as fitness centers, banks or credit unions, and a farmers market. However, some respondents mentioned how some entrepreneurs in the community have attempted to start their own businesses but ultimately give up after a certain point. The top factors that complicated the process of starting a business were family responsibilities and the ability to get a loan. Banking institutions in the region offer financial resources, but do not provide the training or one-on-one technical assistance businesses owners require in their ownership journey. To this end, NCDF could provide native-specific entrepreneurship training—termed Indianpreneurship—in combination with other curricula in order to develop participants’ business building expertise.





## APPENDIX A: DETAILED DATA TABLES

**Table 1A: Number of Businesses by Tract Category for Reservation Census Tract**

Category of Employment	Nez Perce	Kooskia	Kamiah	Craigmont	Lapwai	Orofino
Agriculture & Mining	29	7	1	8	13	7
Construction	13	8	2	2	1	15
Manufacturing	19	8	2	4	5	19
Transportation	37	16	3	8	10	13
Communication	1	0	1	0	0	2
Utility	1	0	1	0	0	0
Wholesale Trade	23	7	2	9	5	7
Retail Trade Summary	84	37	21	10	16	51
Finance, Insurance, Real Estate Summary	22	2	10	5	5	19
Services Summary	154	52	49	24	29	108
Government	67	12	8	29	18	51
Unclassified Establishments	19	7	2	6	4	4

*Source: Esri Business Analyst, via Business Summary, 2021*

**Table 2A: Percentage of Employees by Tract Category for Reservation Census Tract**

Category of Employment	Nez Perce	Kooskia	Kamiah	Craigmont	Lapwai	Orofino
Agriculture & Mining	5.4%	3.2%	3.0%	5.4%	7.9%	4.0%
Construction	1.3%	4.7%	0.4%	0.6%	0.2%	4.0%
Manufacturing	6.7%	11.5%	2.7%	10.4%	4.5%	10.2%
Transportation	5.9%	12.5%	1.4%	7.3%	4.1%	4.4%
Communication	0.2%	0.0%	1.0%	0.0%	0.0%	0.3%
Utility	0.3%	0.0%	1.6%	0.0%	0.0%	0.0%
Wholesale Trade	3.2%	2.8%	0.5%	12.2%	0.8%	1.0%
Retail Trade Summary	13.8%	18.9%	23.8%	6.3%	9.3%	12.9%
Finance, Insurance, Real Estate Summary	2.9%	0.5%	4.9%	2.5%	3.4%	3.6%
Services	45.0%	30.0%	51.2%	28.0%	57.7%	40.4%
Government	14.2%	15.1%	9.2%	25.3%	11.3%	19.1%
Unclassified Establishments	0.9%	0.8%	0.3%	2.1%	0.8%	0.2%

Source: Esri Business Analyst, via Business Summary, 2021

**Table 3A: Distribution of the Population of the Nez Perce Reservation and the US by Age Range**

Age Ranges	Nez Perce Percentages	US Percentages	Difference
0-4	3.4%	6.1%	(2.8%)
5-9	5.9%	6.3%	(0.3%)
10-14	6.4%	6.4%	0.0%
15-19	7.3%	6.5%	0.8%
20-24	7.2%	6.7%	0.5%
25-29	6.1%	7.1%	(1.0%)
30-34	8.3%	6.7%	1.6%
35-39	8.0%	6.5%	1.5%
40-44	7.5%	6.0%	1.5%
45-49	7.2%	6.4%	0.8%
50-54	7.3%	6.6%	0.7%
55-59	6.8%	6.8%	0.0%
60-64	5.9%	6.2%	(0.3%)
65-69	5.2%	5.2%	(0.0%)
70-74	3.6%	4.0%	(0.4%)
75-79	1.9%	2.7%	(0.8%)
80-84	1.4%	1.8%	(0.4%)
85+	0.8%	2.0%	(1.2%)

Source: Nez Perce Tribe and U.S. Census Bureau, DEC Redistricting Data, 2020

## APPENDIX B: NATIVE AND NON-NATIVE INCUBATOR EXAMPLES

### Change Labs - Native Entrepreneur Workspace



Source: Change Labs Website (<https://www.nativestartup.org/>)

Address: US-160, Tuba City, AZ 86045. Tuba City Moenkopi Legacy Inn Campus

Description: The facility stands alone, however it's on a campus with a 3-star hotel, tesla charging station, tour operator company, and Denny's Diner

### Sitting Bull College and Standing Rock Sioux Tribe Entrepreneurial Center



Source: Google Maps

Address: 9299 Highway 24, Fort Yates, ND 58538

Description: Located within a standard college building, no other commercial tenants.

Sitting Bull College (<https://sittingbull.edu/wp-content/uploads/2018/12/Entrepreneurial-Center-Resources-Programs.pdf>)

## OREGON NATIVE ENTERPRISE - The O.N.E. Coalition



Source: Google Maps

Address: 4445 SW Barbur Blvd, Portland, OR 97239

Description: Traditional Multi-tenant office building, mostly non-profits, tenants include a chamber of commerce, counseling center, city government office, and doctors office, among others

## Lummi Te'Ti'Sen Center



Source: LumiiTeTiSenCenter, Facebook

Address: 4920 Rural Ave, Ferndale, WA 98248

Description: Facility dedicated to establish tribal entrepreneurs and artists with fiscal, business development, and networking support. There are three anchor tenants involved with arts and craft and fishery.



## Partnership between City/County of Sante Fe, Los Alamos National Laboratory



Source: Google Maps

Address: Santa Fe County 100 Catron St. Santa Fe, NM 87501-2061

Description: Traditional government building with other offices, no other private tenants



## ABOUT POINTS CONSULTING

At Points Consulting (PC) we believe in the power of peoples' interests, passions, and behaviors to shape the world arounds us. Now more than ever, people are the primary factor in the success of businesses, organizations and communities. Our work is focused not only on how people impact communities and organizations, but how to align their potential to create more successful outcomes for all. We partner with private and public entities on projects such as feasibility studies, economic impact studies, and strategic planning. In summary, at Points Consulting we believe in "Improving Economies. Optimizing Workforce."

PC was founded in 2019 and since that time has completed many projects both regional and national in focus. Firm President, Brian Points, has worked in the public/private management consulting industry for the past 14+ years focusing on research projects, in general, and feasibility studies, in particular. In past roles he has managed many projects funded by federal agencies including the USDA, the DoD, and the EDA



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