

# CRITICAL RISKS

The key risks have been mitigated to reduce the probability of occurrence and the size of the consequences



*The primary risks with mitigation strategies are:*

## **Sales income failing to meet expenses**

This “generic” problem of any business is mitigated using a “flexible services” approach. The cost to “keep the doors open” is kept to a minimum by initially limiting the permanent staff to one.

The remaining services are put in place at “no cost” by providing better access to already available programs such as the MMEC, through arrangements both formal and informal with service providers that wish to connect with the kind of clientele that the entrepreneurial center will house. The BEAR program is already developing listings and relationships with those providers of legal, financial, technological, and other types of services needed by these new businesses.

## **Mitigation includes:**

The Ravalli Entrepreneurship Center is starting with a distinct marketing advantage in that a major community institution, GSK, wants to be an anchor tenant. RML, MDMH, and GSK have expressed enthusiasm and commitment to source products and services from local vendors and likely clients of the REC.

## Regulatory and permitting issues could delay construction of the Ravalli Entrepreneur Center

The location of the Center has been identified and based on a preliminary review, appears to meet all of the regulatory requirements for its intended use (Wall, 2007 & Professional Consultants, Inc. 2007).

There is currently a local controversy regarding the housing density in “Area 3”, the area in which the Center is planned. While the Center itself is not controversial and is widely supported, the “Area 3” issues could affect the timeline for developing sewage and water to support the Center. If the Center is annexed into the City of Hamilton, it will be required to meet City zoning and public works requirements that are more stringent than the County’s. The mitigation for the RCEDA is to insure that the City agrees to its intended use and facility design prior to or during, the annexation process.

### Mitigation includes:

- Continue to ensure wide political and public support.
- Develop construction alternatives that do not require City of Hamilton infrastructure.
- Implement the Transition Option to begin operating in a leased facility while construction financing, infrastructure development, construction, and permitting for the final location are completed.

The REC will avoid risk by planning for risk

## Human accidents or release of hazardous materials to the environment

### The mitigation approach is threefold:

- Ensure that tenants sign contracts that relieve the RCEDA of legal liability.
- RCEDA creation of a strong safety and hazardous material control and industrial hygiene program that includes a safety plan, independent inspections and staff and tenant training.
- Ensure the facility design team includes a safety and environmental expert who can insure that the facility design will facilitate safe operation.

## Energy costs rise significantly

### Mitigation includes:

- Develop facility design alternatives and capital cost versus operation cost trades that use natural sunlight, passive heating and cooling, and alternative electricity generation.
- Follow MonTEC’s example of alternative energy demonstration products that reduce the need for fossil fuels while providing Research and Development opportunities to REC clients.

