

Small Business Hub

PDA Council Discussion

September 28, 2023



Today's Agenda

1. Defining a Small Business Hub
2. Small Business at PPM Today
3. Discussion



Small Business Hub as a Focus

DIVERSITY, EQUITY & INCLUSION



Pike Place Market's Charter

“... the PDA will initiate programs to expand food retailing at the Market Historical District, especially the sale of local farm produce; to preserve and expand the residential community, especially for low-income people; to **promote the survival and predominance of small shops, marginal businesses, thrift shops, arts and crafts**, and other enterprises, activities, and services which are essential to the functioning of the Public Market.”

Pike Place Market's Leasing Guidelines

“The Pike Place Market has always provided an opportunity for **small, owner-operated businesses** to have a retail presence in downtown Seattle... **The PDA provides opportunity for the incubation of small businesses. The PDA can offer opportunity to new, small businesses with lower rental terms and smaller spaces than what might be offered in other areas of the downtown.**

The PDA seeks to work with commercial tenants to **identify opportunities for their business to become viable and to succeed.** The PDA supports continued operation of businesses to **maintain authenticity and traditions while also making the most of opportunities to improve tenant mix and customer choices when space becomes available.”**

Pike Place Market's Hildt-Licata Agreement

“The purpose of this agreement is to preserve the historic qualities of the Pike Place Market, assure its economic vitality, and promote good management and harmonious relationships among Market users. This objective is to be accomplished by encouraging to the extent possible: 1) the sale of fresh produce by farmers; **2) the traditional use of the Market as an incubator for small businesses of all kinds but especially those that involve the sale of items personally crafted by the seller;** 3) the sale of goods affordable to low and moderate-income people; 4) a variety of social services and housing opportunities for City residents, especially those with low incomes; 5) a mix of businesses which will provide a variety of good and services to Seattle residents but also to visitors; and 6) performances by a variety of musicians, entertainers and artists.”

Pike Place Market's Daystall Rules

“The purpose of the Pike Place Market’s Daystalls are to **uphold the Market’s founding tradition of “Meet the Producer”** by providing both farmers and craftspeople an opportunity to sell farm-produced or handmade items directly to the consumer; to provide a wide variety of farm products and handmade arts and crafts for shoppers; and to **provide direct marketing opportunities for new farmers and craftspeople to pursue their livelihoods.**”

Defining PPM's "Small Business Hub" Functions



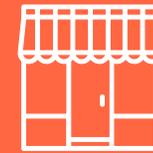
Incubate

Launch
new
businesses



Accelerate

Scale
existing
businesses



Sustain

Retain & grow
legacy
businesses

Defining Incubators and Accelerators

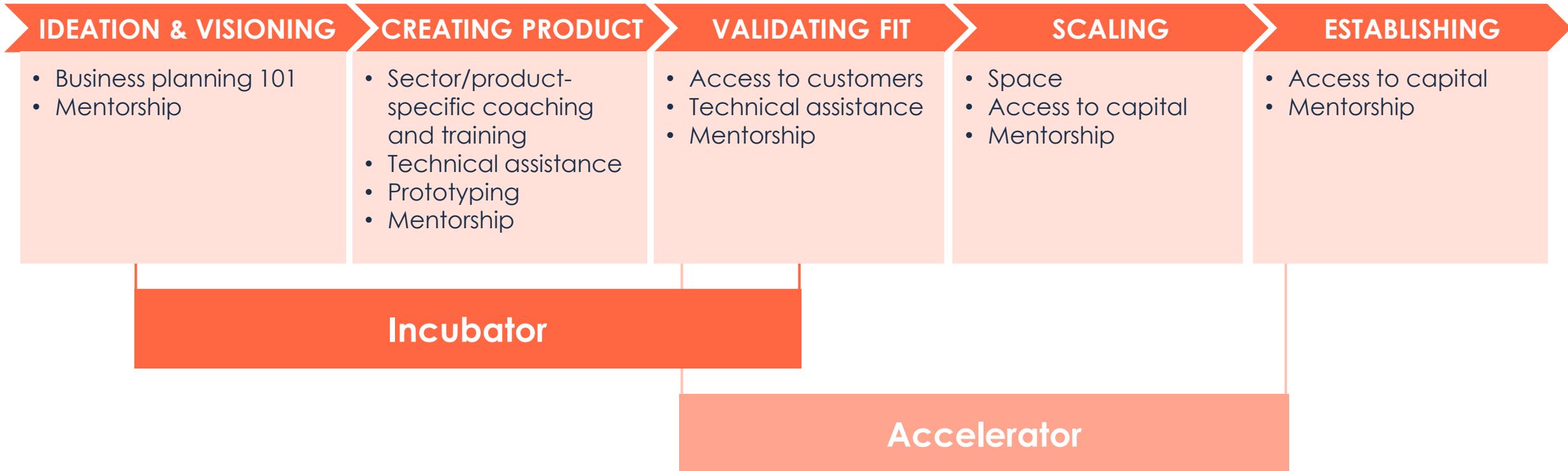
What is an incubator? An accelerator?

A business **incubator** is an organization that helps startup and other new businesses grow by providing services such as management training, office space, access to financing, and networking opportunities. The goal of a business incubator is to help a new business convert from an idea into a running business.

Incubators are frequently located with business accelerators. An **accelerator** provides many of the same services to an early/mid-stage business with the primary goal of accelerating business growth often with the support of additional financial investment, immersive training, and intensive networking and mentorship.

Entrepreneur Journey

ENTREPRENEUR JOURNEY & NEEDS



Typical Space Needs:

Online / Pop-Up / Temporary Space → **Coworking / Shared Spaces** → **Permanent Space**

Entrepreneur Journey

LEGACY BUSINESS NEEDS

ESTABLISHED

- Access to capital
- Mentorship
- Marketing

LEGACY

- New / digital tools
- Technical assistance
- Mentorship
- Succession planning

SUCCESSION

- Mentorship
- Staff/leadership training
- Succession planning & support

Sustain + Ongoing Support

“Incubate” Example: Seattle Food Innovation Network

Mission & Goals:

- **Support South King County BIPOC and immigrants start and grow food businesses** to create economic security, while building food security in the community by increasing access to healthy foods
- Funded by a nonprofit called Global to Local

Programming & Space:

- 2,800 SF facility located within Tukwila Village
- Program offers **up to 20 entrepreneurs** with:
 - **Business planning support** (permits & insurance, menu design & pricing, accounting, marketing etc.)
 - **Affordable commercial kitchen & retail kiosk space**
 - Business **networking & mentorship**
 - Connections to other resources, including ESL classes, IT classes, commercial kitchen experience, business plan writing
- Priority to low-income families, immigrants, refugees, individuals from displaced indigenous communities, BIPOC entrepreneurs, and women
- Program supports Tukwila Village Farmers Market and also offers no cost meals for seniors and families in need



SPICE BRIDGE
GLOBAL FOOD HALL AT TUKWILA VILLAGE



“Accelerate” Example: Propeller Impact Accelerator

Mission & Goals:

- Create an **inclusive entrepreneurial ecosystem in New Orleans that responds to community needs**, particularly in community economic development, education, food, health, and water.
- **Support ventures grounded in financial viability, social impact, racial equity, and a commitment to the city and region.**
- Programs are funded through grants, fundraising, and partnerships

Programming:

- **5-month accelerator program** (mix of in-person and virtual):
 - Centered around 5 focus areas (above)
 - Access to **free coworking space**
 - Office hours with a Lead **Mentor**
 - **1:1 consulting** with subject matter experts & specialists
 - Weekly community-building cohort events with guest speakers and discussions
 - Resources to prep for fundraising
 - Concludes with Executive Mentor Program



“Sustain” Example: Welcome to Chinatown

Mission & Goals:

- Amplify and address critical needs of the community and its entrepreneurs to **keep Chinatown open for generations to come.**
- **Empower new AAPI entrepreneurs in New York City’s Chinatown AND preserve and support legacy businesses.**
- **Create a community space that embraces innovation and creative that** will in turn drive business, job creation, networking, and economic diversity.
- Funded by grants, fundraising, and corporate partnerships.

Small Business Innovation Hub Programming:

- 2,500 SF dynamic, flexible space to accommodate a variety of programming
- **1:1 small business support & referrals to professional services**, including legal, digital marketing & e-commerce, POS system adoption, etc.
- **No-cost workshops**
- **Cohort-based training programs** on relevant topics
- **Networking and community building events**
- Access to **coworking space**
- **Marketing and pop-up opportunities**



Public Market Examples

Only a handful of other public markets have begun to build in-house incubator/accelerator functions. PPM could become a national model for doing this successfully.

Boston Public Market



- Funded by Citizens, **six-seminar educational program** to support financial and business development of small businesses.
- Program concludes with **an incubator competition**, with a prize of selling in the Market free of charge for one year.

Reading Terminal Market



- Repurposed carts are rented out as flexible kiosks for vendors
- Participation in **Market Cart Bazaar** only requires a one-page application and three-page lease with flexible start and end dates
- Offers **shorter 3-5 month leases** over traditional 5 year

Best Practices

- **Explicit mission statement**
- **Targeted audience** (focus sector(s), business stage, location, founder demographics etc.)
- **Defined educational program period**, typically 3- to 6-month intensive program with businesses “graduating” into temporary/shared/permanent spaces
- Resources offered:
 - **Small business training/customized curriculum*** (financial planning, marketing, building e-commerce, succession strategies, etc.)
 - Dedicated **mentor(s)**
 - Access to dedicated / affordable **space** (kitchen/coworking etc.)*
 - Access to other **professional services** (legal, accounting, sales, digital marketing, design, etc.)
 - **Financial resources** (investment with equity, rent, etc.)
 - Access to **network & community**
 - **Opportunities to pitch** to investors
 - **Market exposure**/opportunities to test product*

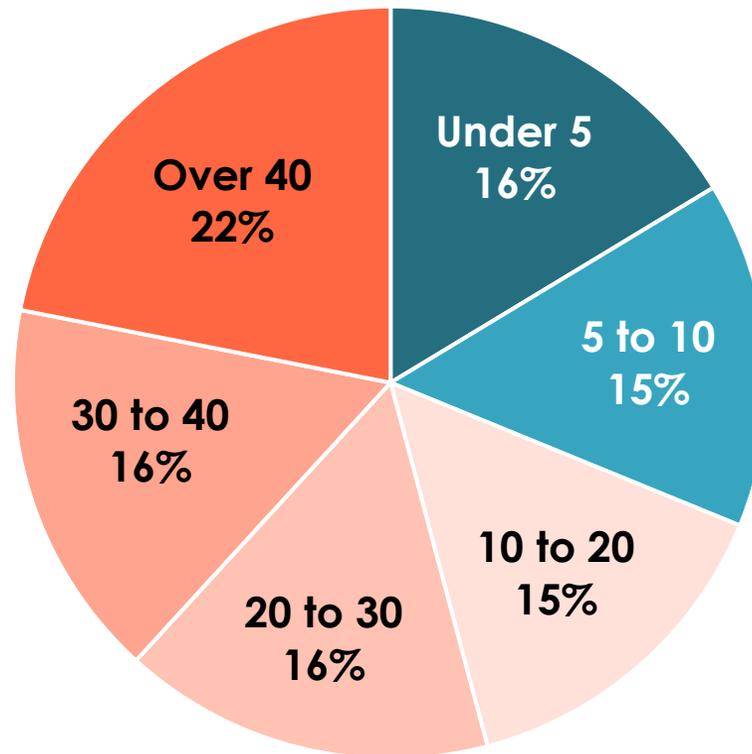
**Items that PPM currently offers through different programs.*

Incubation and Acceleration at PPM Today

Business Tenure at PPM

Nearly 40% of businesses at PPM – including commercial tenants, craftspeople, farmers – have been at the market for 30+ years. Only 16% of businesses have leased for less than 5.

Business Tenure at PPM (years)

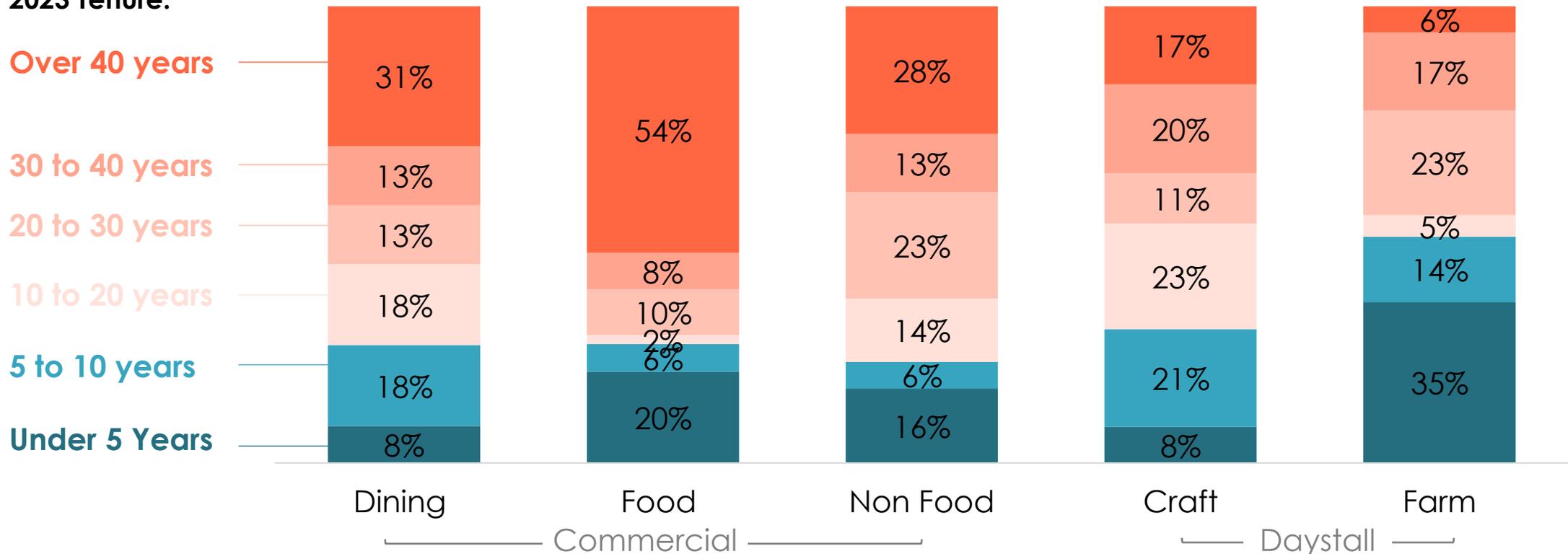


Business Tenure at PPM

Farmers represent some of the youngest businesses at the Market. Among commercial tenants, **food businesses** have the highest share of long-tenured businesses and a meaningful share of younger businesses.

Pike Place Market Business Tenure by Category

2023 Tenure:



Source: PPM Data

Small Business Incubation & Acceleration at PPM

Current challenges for new businesses entering the Market include:

- **Long and complicated leasing process**
- Exclusive leasing to **one-and-only businesses**
- **Limited temporary, pop-up or other shared working/studio spaces**
- **Strict daystall rules**, including attendance & handmade requirements, can be limiting to businesses looking to scale
- **Lack of a merchants' association** to reinforce Market's internal community
- **Lack of revenue data** for craftspeople and farmers
- **Small business support & training have been helpful but has had limited reach** to date:
 - 2022 Small Business Directory Workshops: **90 businesses** attended one of three
 - 2022 Small Business Workshops on social media, marketing, financial strategies: **31 businesses** joined at least one of five workshops
 - 2022-23 Marketing Virtual Office Hours: **13 businesses** participated in 20-min call

Small Business Acceleration at PPM

As a result, in the Market's history, only a limited number of businesses have successfully incubated and then grown a presence outside of PPM:

Businesses that launched at PPM and have since **opened other locations:**

- Starbucks
- Rachel's Ginger Beer
- Pike Place Chowder
- Piroshky Piroshky
- Old Stove Brewing
- 8th Generation
- Can Can
- Maiz
- Beecher's*
- Sur La Table*
- Biscuit Bitch*

**Other outlets not managed by the PDA*

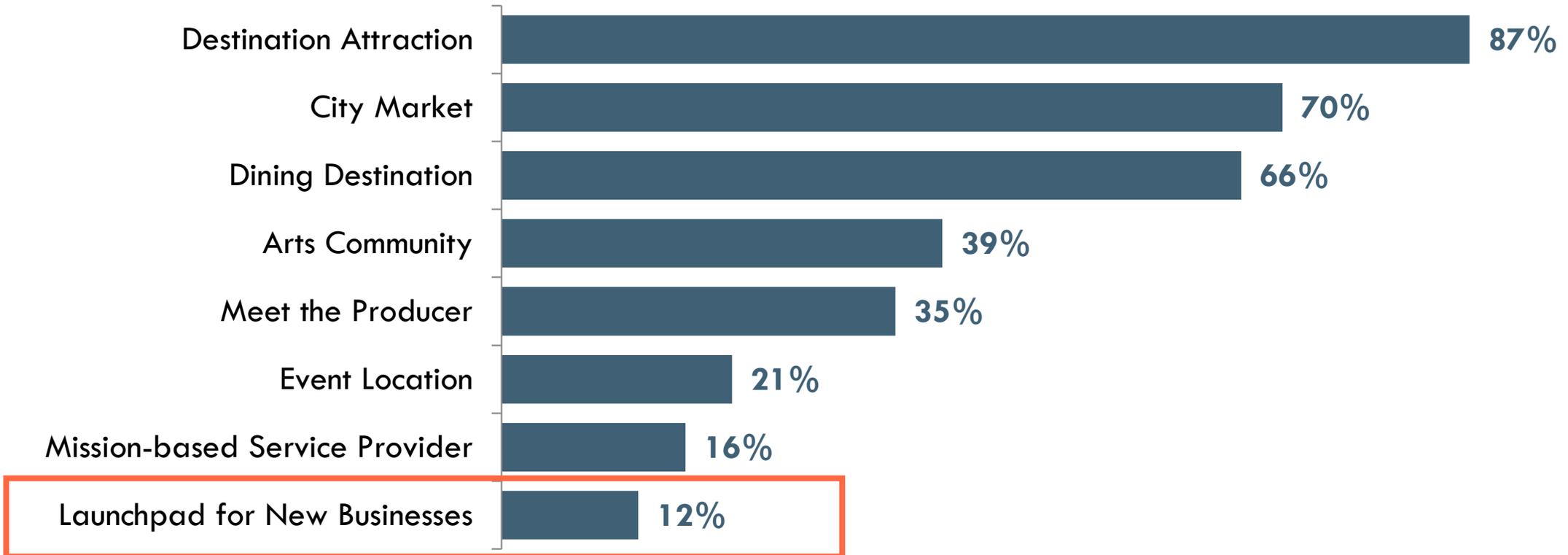
Businesses that launched at PPM and **increased production to sell at additional retail outlets:**

- Ellenos
- Pasta Casalinga
- Chukar Cherries
- Cucina Fresca
- Market Spice Tea
- Bonnie B's
- Moon Valley
- Cobb's
- Honest Biscuits

Small Business Incubation at PPM

Visitors recognize that Pike Place Market is not an incubator for new businesses:

Master Plan External Market Survey (2023):



What We Think

- Define goals for small business incubating, accelerating, and sustaining that strengthen the Pike Place Market brand and “Meet the Producer” identity
- Revisit leasing process & daystall rules to complement goals
- Create shared resources and facilities (shared kitchen, logistics center, business support center, etc.)
- Reestablish merchants’ association or develop other community building mechanism to facilitate mentorship & partnerships between new and existing businesses
- Establish metrics for tracking success, including connecting incubation and DEI

Incubate

- Develop PPM-specific incubator program (in partnership with local orgs)
- Dedicate space for pop-ups & short-term leases for businesses to test ideas

Accelerate

- Develop PPM-specific accelerator program
- Facilitate collabs between new & existing tenants
- Develop processes for businesses to expand beyond PPM in line with curation strategy

Sustain

- Create trainings to help legacy businesses stay up to date – e.g., social media, POS systems, branding
- Support succession planning

Discussion

Next Steps

What's Next

- **10/18** – Downtown Anchor & Scenario Workshop Preview
- **10/26** – Council Retreat Scenarios Workshop

Appendix

Incubator Example: Seattle Food Innovation Network

Mission & Goals:

- **Support South King County BIPOC and immigrants start and grow food businesses** to create economic security for business owners and their families, while building food security in the community by increasing access to healthy foods
- Funded by a nonprofit called Global to Local

Programming & Space:

- 2,800 SF facility located within Tukwila Village includes a commercial kitchen with 4 cook stations, 4 retail food stalls, and food hall dining area that can host indoor dining, art performances, pop-ups, and other community events
- Program offers **up to 20 entrepreneurs** with:
 - Business planning support (permits & insurance, menu design & pricing, accounting, marketing etc.)
 - Affordable commercial kitchen & retail kiosk space
 - Business networking & mentorship
 - Connections to other resources, including ESL classes, IT classes, commercial kitchen experience, business plan writing
- Program supports Tukwila Village Farmers Market and also offers no cost meals for seniors and families in need



SPICE BRIDGE
GLOBAL FOOD HALL AT TUKWILA VILLAGE



Incubator Example: Seattle Food Innovation Network

Eligibility:

- Live in South King County
- Business ready requirements
 - Written menu with pricing
 - Have a Washington State food worker's card
 - Startup phase -- don't have a formal business with a commercial kitchen agreement, don't hold a public health permit, not yet breaking even/making a profit
 - Have a draft business plan (application includes resources for writing one)
- Priority to low-income families (esp. those living 200% below poverty level or have difficulty meeting basic needs), immigrants, refugees, individuals from displaced indigenous communities, BIPOC entrepreneurs, and women

Application:

- Draft business plan
- Food worker card
- Food presentation & tasting
- Business plan review meeting



SPICE BRIDGE
GLOBAL FOOD HALL AT TUKWILA VILLAGE



Incubator Example: Ventures

Mission & Goals:

- Provide **business training, capital, coaching, and hands-on learning opportunities** for entrepreneurs with a focus on BIPOC, women, low-income, and immigrant participants in Seattle
- Support individuals **increase their income potential, achieve long-term financial stability, provide for their families, and enrich their communities** through small business ownership

Programming:

- **Business Courses & Workshops** (offered in English & Spanish)
- **1:1 Coaching & Mentorship**
- **Access to Ventures Marketplace retail store in Pike Place Market:**
Over 75 entrepreneurs have received coaching and opportunities to test and improve their product lines by selling in the marketplace.
 - PPM's **Corporate Gift Box Program** also features goods from Ventures Marketplace vendors
- Access to online **Business Directory** e-commerce site & pop-up opportunities



Source: Pike Place Market, Ventures

Incubator Example: Ventures

Programming (con't):

- **Capital:** Ventures provides access to capital through loans and savings programs. They also offer financial literacy training
 - **Business Builder Loan:** Up to \$50,000 loan to be used for start-up expenses, equipment, supply and inventory, and marketing materials. Interest rates start at 7.25% and loan terms can vary between 6 months to 6 years
- **Commercial Kitchen Space:** Ventures offers affordable kitchen space for food entrepreneurs at the Seattle Commissary Kitchen

Eligibility & Acceptance Criteria (varies per program):

- Attend information session
- Graduated from the Business Basics Course
- Met with a Ventures Business Coach
- Completed feasibility plan



Source: Pike Place Market, Ventures

Accelerator Example: Propeller Impact Accelerator

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Programming:

- **5-month accelerator program** (mix of in-person and virtual):
 - Centered on 5 focus areas (above)
 - Office hours with a Lead Mentor
 - Various experts/mentors available on an as-needed basis
 - Weekly cohort events with guest speakers and discussions
 - Concludes with Executive Mentor Program
- **1:1 consulting** with strategic, entrepreneurial, corporate, and other subject matter experts, **cohort community building, resources** to prep for fundraising, **access to coworking space**
- Programs funded through grants, fundraising, and partnerships



Accelerator Example: Propeller Impact Accelerator

Eligibility & Acceptance Criteria:

- Social and/or environmental impact
- Financial viability
- Entrepreneurial leadership
- Commitment to racial equity
- Alignment with focus areas (community economic development, education, food, health, water)



Incubator/Accelerator Example: Westfield

Oculus Small Business Accelerator Program (Westfield World Trade Center)

- Incubator program with **flexible short-term and long-term deals** for kiosks, pop-ups, and in-line space
- Created for small, locally-owned business (focus on minority- and women-owned businesses)
- Rents decided on a case by case basis to provide accessibility and flexibility

Bespoke (Westfield San Francisco Centre)

- Bespoke Demo is a space for entrepreneurs and brands to showcase their work and where customers can **test products in real time**

1848 Ventures

- Works directly **with business owners and employees to develop small business solutions**

Westfield Labs

- Ran 3-month **start-up incubator program** in retail innovation



Source: Vox, Bespoke

Public Markets Examples



Kitchen 66

- Located in Tulsa's Mother Road Market
- Funded by a foundation, food incubator program that has supported more than 150 businesses
- Provides access to space to test products.
- Only 4.4% of launched businesses have closed/scaled back.



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Source: Mother Road Market, Boston Public Market, The Philadelphia Inquirer