

## **Tiny Business Village Key Points from existing and proposed tiny villages around the country**

*“Join us in celebrating the spirit of entrepreneurship and discover the hidden gems that await you in our charming downtown chalets. Whether you're a curious shopper, an aspiring business owner, or simply looking for a unique experience, Muskegon Western Market Downtown Chalets welcomes you with open arms.”*

### **The Objective**

The Current (Boston) “Of the moment, right this minute”.

- Tiny houses and micro-apartments have been suggested as ways to help ease the housing crunch in Boston. Now a developer is taking that concept to retail in the Seaport, creating a tiny village called *The Current*. The space, located on bustling Seaport Boulevard, is a collection of nine very small retail spaces which create a walkable shopping corner.
- Small spaces, big ideas. Experimental and experiential. The Current is home to an ever-evolving lineup of brands and businesses that spin the concept of a traditional storefront into something truly special. It's instant gratification – discover something new, touch it and take it home with you – with an element of the unexpected. Designed as a miniature village to wander and explore, The Current is a new approach to pop-ups that's redefining retail

Clinchco (Virginia) (proposed)

- According to an application for an Abandoned Mine Land Economic Revitalization (AMLER) grant by the Town of Clinchco, town officials hope to build a new ‘Tiny Business Village’ that lowers barriers for new business owners and brings critical tax dollars to the community.

Lucky Boy Mining Company (Blue River, Oregon) (Proposed)

- New trend for micro/small business owners- testing entrepreneurial concept (spread more opportunity- no need for personal wealth, best connections or need to risk everything on a big experiment) A good fit for super specialty retail
  - Step 1: vendor booth at special events
  - Step 2: table top shop
  - Step 3: micro shop
  - Step 4: full scale business
- New innovative business model for small towns and rural areas.
  - Tiny (\*\*a tiny business on its own is lonely, groups of tiny businesses are a draw)
  - Temporary
  - Working together, business owners bring energy and vibrancy that will help attract more business investment to the building commercial space.
  - Mobile (trucks, trailers, pop-ups)
  - Community ownership; co-ops; employee-owned

Anchor Square (Pascagoula Mississippi)

- Mississippi Main Street program brought a team to downtown Pascagoula to offer "quick and effective" ideas for revitalization. The team developed a plan to utilize the Mississippi Cottages to better connect Pascagoula's waterfront with its traditional downtown.

- "We need specialty shops, gift shops, that type of thing around here, because right now we have nothing," "We've got a lot of offices, that type of thing, which is not interesting to people. They want something they can spend their money on,"
- Tenants include an array of restaurants and fashion boutiques, among other specialty shops.

#### Tionesta Market Village (Pennsylvania)

- Anchor Square is a bastion of the type of job creation needed to turn the country's economic troubles around
- "Two-thirds of the jobs created in the United State of America are created by small business," "We're creating an incubation of innovation right here in a downtown Main Street area
- It converts a nonproductive empty lot into a lively business place.

#### Western Market (Muskegon, Michigan)

- It is a vibrant community hub and a popular destination for both residents and visitors alike. A place to connect with others who share a passion for supporting local businesses.
- 2017- To create a unique space for small businesses to thrive took root. With a vision to support entrepreneurs and foster economic growth in our community, a dual purpose of filling empty space on the city's main street (transform the landscape of downtown\_ and serving as retail and restaurant incubators.
- 2018- To create a space that would empower business owners and provide them with a platform to test their ideas and to welcome a new era of entrepreneurial success.
- Our chalets serve as small business incubators, offering aspiring entrepreneurs a unique opportunity to test the market before committing to a traditional brick and mortar store. We understand the challenges and risks that come with starting a business, and our goal is to provide a supportive environment where businesses can thrive and grow.
- What sets Muskegon Western Market Downtown Chalets apart is our location, situated in the heart of downtown
- We take pride in our role as a catalyst for economic development and community engagement. By offering a diverse range of businesses in one centralized location, we create a dynamic marketplace that attracts locals and visitors alike. Our chalets showcase a wide array of products and services, from artisanal crafts to innovative technologies, ensuring there's something for everyone.
- At Muskegon Western Market Downtown Chalets, we believe in the power of entrepreneurship and the positive impact it can have on our community. We are dedicated to providing a nurturing environment where business dreams can flourish, and connections are made.
- Mayor Stephen Gawron said the pop-up shops have garnered state and national attention, and have become a popular summer destination for residents and out of towners alike
- The chalets have not just created initial opportunities for new businesses, they are also helping *existing* businesses grow and helping developers to fill *permanent* storefronts. Peterson explained that as new mixed-use developments go up downtown, the owners have struggled to find commercial tenants that were either a) able to afford the rent on a typically-sized first-floor storefront, or b) willing to take a leap on a downtown space with little commercial activity around it.
- The chalets have changed that by activating the downtown area and allowing local businesses to test things on a small scale before renting a permanent storefront. Peterson also shared that some downtown

developers are now choosing to build smaller spaces on the first floors of their new constructions because they have seen how that "micro-retail" size accommodates businesses more effectively.

- Nearly every town has vacant space and eager small business owners looking for affordable store fronts. Put the two needs together and you have the perfect opportunity to kickstart the local business community in your city.

### **Set up/Rental Fees:**

- Muskegon- Seasonal fees
  - 90 sq ft= \$1,600; 120 sq ft= \$2,125; 150 sq ft=\$2,600
  - 2023- New this year will be “pop-up” shops that will occupy two of the “chalets” on a weekly basis. (\$150 per week)
- Lucky Boy Mining
  - First Phase of Tiny Village:
    - Art Gallery (Co-op) 40’ x8’ x 9’ high (weekly art show, workshops, co-op space)
    - Indoor gathering place (small meeting room for community groups, board meetings & training)
    - 2 specialized food carts
    - Contract commercial shared certified kitchen (rentable for food businesses)
      - Second Phase:
        - space for vendors (pop ups)
        - business incubators (garden sheds)
        - shared office (high speed internet, support services, workshops)
- Tionesta
  - Started with standard outdoor sheds, then designed 1800s style false fronts for them.
  - The buildings have no heat, so they are seasonal.
  - Leased annually, so people can try their business idea with minimal investment (about \$500 start-up) and no long-term commitment.
  - Rent is just \$50 – \$70 per month plus electric, and the tenants share the cost of collective advertising.
  - All the cottages are connected by a deck that gives more outdoor selling space.
- Anchor Square
  - The City Council approved additional funding for the village's restroom
  - 15 cottages will be fully landscaped, with walking paths and a view of the water.
- The Current- The tiny shops will have a rotating collection of retailers each with a common theme. The first is called She-Village, highlighting female-founded fashion-forward brands.

### **How applicants are chosen:**

- Delaware- A panel of representatives from DEDO, Downtown Delaware and affiliated towns will review the applications and select the best qualified applicants
- Muskegon- Who or what businesses get an opportunity to open a pop-up shop downtown will be determined by a committee composed of the Muskegon Lakeshore Chamber of Commerce, Downtown

Muskegon Now and city staff. All accepted applicants will be expected to meet with [Grand Rapids Opportunities for Women \(GROW\)](#) and submit a business plan before their application can be approved.

- Offer something unique. In reviewing the applications of businesses who want to rent the chalets, choose a diversity of businesses that would offer unique items for visitors and residents, not the sorts of things you could just purchase online or at a big box store. This ensured that the space would attract shoppers and keep them coming back for more.
  - “Michigan’s smallest bar” will be open up in downtown Muskegon this summer. The 140-square-foot “tiny bar” will have enough room inside for four customers and a bartender. Two more bar stools will pull up to an outside serving window, according to plans by The Peoples Cider Co. The cider company produces hard cider that it has sold at the Muskegon Farmers Market. In Muskegon, it’s, ‘Why can’t you do it?’ Not, ‘No, you can’t do that.’” We are very inventive in Muskegon in terms of the projects that we come up with,” Meisch said.
  - 2020- Hot Rod Harley-Davidson will open a shop, marking the local market’s first foray into hosting a national brand, Meisch said. The plan was to roll out a new Harley brand of electric bicycles for locals to rent
- City is seeking opinions on what shoppers think should be there.

### **Operation Requirements:**

- Tionesta-The businesses are all required to be open during mandatory hours, Wednesday through Friday, from 10 a.m. to 6 p.m. And 10 a.m. to 2 p.m. on Saturday, though many will be open additional hours right away.
- Western Market-will open for the season on Saturday, May 28, with live music to help celebrate from 11 a.m. to 1 p.m. Shop hours will be 9 a.m. to 5 p.m. Thursdays and Fridays and 9 a.m. to 3 p.m. Saturdays from Memorial Day weekend through Labor Day. They also will have special hours during community events, when cruise ships are in port and during the holiday season.
  - Vendors located in the chalets will be exposed to traffic from the Muskegon Farmers Market, Lakeshore Art Festival, Rebel Road, First Fridays, and all other events held Downtown. In exchange, there will be down times with little pedestrian traffic as we work to build retail traffic in Downtown Muskegon. All vendors must participate in marketing and events to help increase traffic.
  - Build unity among businesses. As part of their rental terms, the businesses who occupy the chalets agree to maintain regular hours consistent with their neighbors. This keeps the downtown active at times when it might otherwise empty out and it also creates a lively street where shoppers can check out several stores in one visit. Peterson says that the city really wanted business owners to feel that "they sink or swim together." He mentioned that business owners now feel comfortable asking a neighbor to mind their shop if they need to step away briefly, and the proximity of the buildings facilitates that as well.

### **Management:**

- Anchor Square-The city, Chamber and small business incubator are working together to finish leasing the property, Schmidt said. Pascagoula's new redevelopment authority will eventually take over management

- Collaborated with the Jackson County Chamber of Commerce and the Jackson County Economic Development Foundation to develop the incubator concept and recruit and selected businesses for the space, which is available at a steeply discounted rate.

### **Ideas for tiny business village beyond retail sales:**

- Anchor Square- has hosted football pep rallies, "Second Saturday" music series, an ice cream social, and a 5K race
- Tionesta- one of the hidden gems in the PA Wilds. Not only does it bring tourism spending to Tionesta, but it is also helping grow the cottage industry and bring jobs to Forest County. With live entertainment scheduled throughout the season, the Market Village has become more than a place to shop...it's a destination for fun, relaxation, and fellowship."
  - The cottages are arranged around an open green space that's now a popular public gathering spot.
  - There is a playground for children, picnic tables, and free live entertainment as well. The Village is open on weekends from May-October, with some special events scheduled for the off-season
- Muskegon- The Peoples Cider Co. will apply to be part of the city's social district and intends to serve the cider in social district cups. That means patrons could walk around the downtown social district and consume their beverage. They also could enjoy it inside – or outside – the bar, or a combination of both. A couple of picnic tables will be set up outside, and the bar will be steps away from the city's "social sandbox" – a sandy lot filled with picnic tables, strung with lights and protected with shade sails. The outdoor bar stools will serve as a bit of an advertisement that inside is a bar, enticing people inside

### **Funding/Cost:**

- Donations- Community supporters (Gold, Silver, Bronze level etc.)
- Tionesta- The investment came to about \$40,000 with site work, furnishings and buildings (donated).
  - Tionesta- The Industrial Development Corporation bought the lot and created a micro-retail incubator; it's really a pop-up facilitator.
- Pascagoula-The \$750,000 project was funded by the Gulf Coast Community Foundation, and Habitat for Humanity of the Mississippi Gulf Coast was the general contracts. The City secured the cottages from MEMA and created a "cottage village" between the waterfront and downtown. Volunteers created a stunning boardwalk and village green.
  - Habitat for Humanity, which served as the general contractor, to the Gulf Coast Community Foundation, which provided the grant money
- Architect/Developer
  - The Current- This micro-neighborhood is the brainchild of WS Development, the company behind a massive mixed-use space in the Seaport.
- Muskegon- 2017- To build the initial 12 structures, the city secured donations from the local chamber of commerce, a community foundation and other area organizations. 200 square-foot Cape Cod-style- The city hired a builder to manage the construction ranging from 90-150 square feet at a cost of just \$5,000-6,000 per chalet. Their simple design — a portable wooden structure with windows and doors (but no running water) — kept them very affordable. After that success, the value has been clear enough to residents that it makes sense to use municipal funds for construction of the new chalets. 5 more chalets to be built, with a unit cost of \$5,510. The five new chalets will cost the city close to \$30,000. The

expenditure was approved by the Muskegon City Commission- list of vendors who hope to rent these spaces is already more than 25 names long.

### **Vendors: Why they decided to set up at Western Market (Vendors at Western Market)**

- "I'm promoting my country, a different culture, a different lifestyle, different dressing," said owner Tacitus Bailey-Yabani, who immigrated to the Muskegon area from Ghana, West Africa, in 2014 to be with his wife Jessica Bailey-Yabani. "I'm putting my country into West Michigan."
- "I'm from Muskegon, and huge supporter of Muskegon," said owner Andrea Wiggins. "I'm excited about the growth downtown. What's missing is the shopping atmosphere. I'm excited to be part of that, and it's going really well so far."
- "I love it up here," said owner Renee Randell. "I love all the things happening and seeing the rebirth of this city."
- "What a cool deal to bridge the (Muskegon) Farmers Market to downtown," said Brad Major who owns Donna Jeanne's with his wife Amy Major. "We've wanted to open a little bakery shop for a long time. It's been in the works for a while. This was a great opportunity to be downtown. Muskegon is on the up and up, and we wanted to be part of it."
- "We were really excited about it. It's had a great response," Van Blargan said. "This is really a key thing for Muskegon, I think it's really going to jump start a lot of stuff."
- "Muskegon doesn't get a lot of love when it comes to merchandising," said owner Michael Cummings. "It's a real service because it doesn't exist. I'm trying to fill that void."
- Owner Craig Herrick lives in Lansing, but has kept his boat at Hartshorn Marina for 7 years. That has exposed him to downtown Muskegon and all it has to offer. It took him about an hour after hearing about the downtown chalets to decide that it would be a perfect place to sell SiliPint cups, which he uses on his boat and has sold at marinas and shows. "I was looking for something to do to make my home here," Herrick said. "Long term, Muskegon is where I want to be. There's been a lot of positive energy."
- "I've wanted to be permanently downtown for a couple years," said Tammy Whynot, owner. "I love being down here with all the people. I could see what was going to happen with downtown Muskegon."
- "I grew up in Muskegon and love to see this town grow and prosper," said owner John Allen. "This is a good way to incubate what could be successful businesses."
- "Because of all the tiny house stuff right now, it seemed very appealing -- they're so cute," said owner Tina Larson. "This is prime real estate. You can see the sunset from here. Why wouldn't you want to be downtown Muskegon?"

### **Ideas for the future of the tiny business villages**

- Muskegon- By placing attractive shops at the Western Market, we created opportunities for small business owners to open their own shops at an affordable cost, along with delivering a lovely shopping venue that attracts tourists as well as our own residents. "Visitors can delight in discovering items that are very much local and global at the same place. Meisch points out that, as an added benefit for the community, these shops will be moved to future locations as communities are revitalized. The portable nature of the chalets also means that down the road, if they're no longer needed or the space is

transformed for another use, they can easily be sold off or moved to another location that could use a small business boost.

- Anchor Square- "It's not permanent, it's just a start, these wont be here 15 or 20 years from now, but it does give us a way to start attracting small retail business."

### **Similar ideas NOT using garden sheds:**

#### The Village (Washington, Iowa) (Existing)

- Small shops inside a large building; 80-144 sq ft (most are 120 sq ft)
- Rent is based on square feet and includes utilities, liability insurance, some expenses like packaging, fees and dues, minimal advertising, common space, display windows. A gallery wall for artists- to display, fee= small commission
- Rent is temporary- per day, per week or per a special season

#### Project Pop- Up (Delaware)

- A program that gives startup businesses three months of rent-free commercial space during the holiday season is expanding this year.
- Administered by the Delaware Economic Development Office (DEDO), the federally-funded Project Pop-Up provides online and home-based businesses with a brick-and-mortar location from October to December and the assistance of a business advisor, while also helping to fill vacant properties

### **Word to the wise:**

- Muskegon- Grow incrementally. The step-by-step growth of this initiative has been key. Starting with a few simple, affordable chalets meant a low risk for the city and the chance to scale up as the project succeeds. "We don't want to put up 20 [chalets] tomorrow," says Peterson. "We want to keep adding them a few at a time."