

HOUSING AND
NEIGHBORHOODS

Small Business Development Annual Report

FY23-24

raleighnc.gov



Raleigh



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Letter from Division Manager

Communities are at their best when neighborhoods and nearby businesses all thrive together. Small businesses are the heart and soul of Raleigh – for example, the storefront businesses that create the City's unique character, along with the entrepreneurs of the future who may just be getting started with ideas around their kitchen table.

The Small Business Development team is 100% focused on Economic Development Business Retention and Expansion (BRE), specifically for Raleigh's 26,000+ small businesses – many of those having just one or two people.

The Small Business Development team has just completed its second year in FY2024, after being created under the City's Housing and Neighborhoods Department. Looking back, FY2023 was devoted to building basic programs and partnerships, not to mention the team itself. For FY2024, the team has delivered new programs, along with a comprehensive Small Business Development home page that offers a full suite of new online resources. The team also significantly expanded business owner engagement at small business events, and increased coverage of incoming inquiries.

Equitable Economic Development has always been key to Raleigh's diverse tapestry of hard-working business owners and their appreciative customers. In complete alignment with the City's Economic Development & Innovation Key Focus Area, the Small Business Development team has also prioritized engagement with Raleigh's minority and women-owned business community. We have also made significant progress making most of our information available in Spanish, and often in 50+ other languages!

So – Welcome to our FY2024 Small Business Development Annual Report, featuring our programs, partnerships, resources, and events. This report will also provide general updates about Raleigh's small business environment, including highlights from our 3rd Annual Small Business Survey.

Of course, the Small Business world is always evolving and adapting, and our team is already hard at work to meet new challenges and develop new solutions for FY2025.

We thank the Mayor and City Council, and City staff and management, for supporting this unique vision of equitable economic development, specifically tailored for small businesses. We also extend our gratitude to our community partners for the close collaboration that defines our local entrepreneurial ecosystem. Most importantly, we thank the creative, energetic, and resilient entrepreneurs and small businesses that make Raleigh such a special place to live, work, and play.

As you read through this report, we hope it provides valuable insights into the collaborative efforts that continue to shape our city's thriving small business community.

MARK WELDON

Small Business Development Manager
City of Raleigh
Division of Community & Small Business Development
Housing & Neighborhoods Department



Raleigh's Small Business Economic Development Ecosystem

It is often said that Economic Development is a team sport. Small Business owners in the City of Raleigh are at the center of an entrepreneurial ecosystem of highly interconnected City and Partner organizations. This "fiercely collaborative" ecosystem increases a small business owner's probability of success. The City of Raleigh Small Business Development team stands ready to help small businesses make the connections they need, and to navigate the general ecosystem.



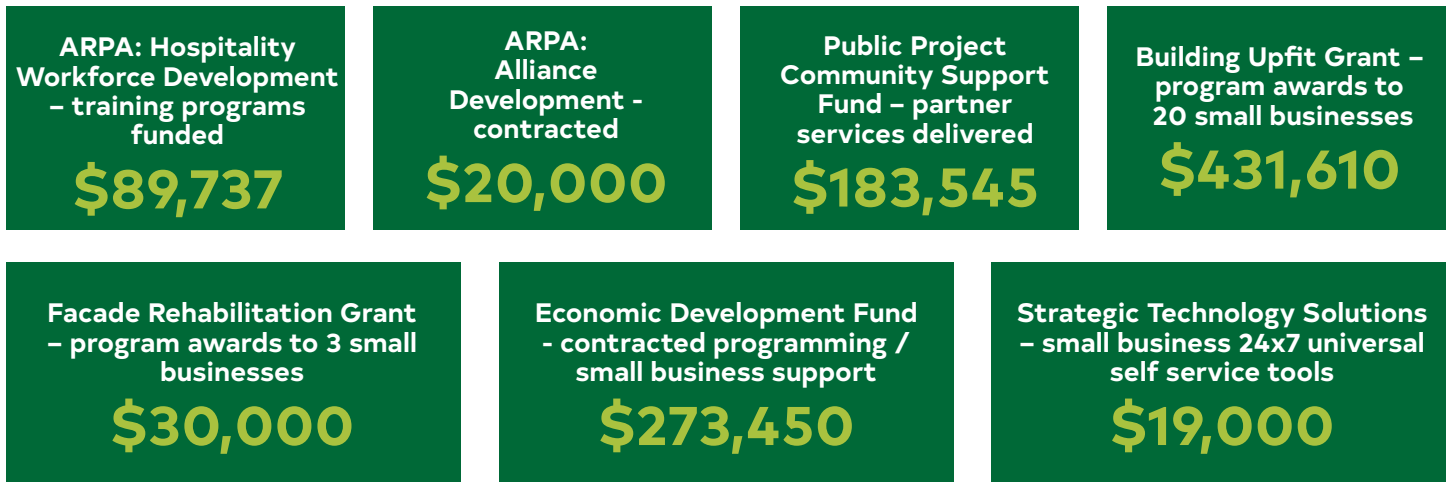


Programs

The Small Business Development team administers a variety of programs, offering both ongoing economic development support—such as the Facade Rehabilitation and Building Upfit Grant programs—and specialized initiatives like Federal ARPA funding or City construction mitigation programs.

OVERALL PROGRAM IMPACT: FY 2023-2024

Raleigh’s Small Business Community were served by \$1,047,342 awards and commitments, including program awards to 23 small businesses, and program funding to 7 partner organizations who leverage programming to benefit the workforce and small businesses across Raleigh they collectively support.



PROGRAM DETAILS

Over the past year, the Small Business Development team has successfully designed and launched two new programs, implemented two additional programs for the first time, and rolled out new digital tools.

- **FIVE STARS – Hospitality Workforce Development (ARPA funded)**

PURPOSE: To address workforce shortages stemming from the pandemic and to cultivate a diverse talent pipeline for the hotel hospitality industry. This program is being administered in partnership with subrecipients, Wake County and Capital Area Workforce Development

IMPACT: The program offers candidate training, job placement, and job fair events. To date, 215 candidates have been engaged, with 156 officially registered. Of these, 25 have completed workshops and received career coaching from program specialists. In Raleigh, 20 participants have earned the Hospitality Credential, and 16 have already secured jobs. The program is actively underway

- **ALLIANCE ECOSYSTEM CAPACITY (ARPA funded)**

PURPOSE: To build a robust entrepreneurial ecosystem and enhance partner capacity by developing new resources and tools for the small business community. A contract has been executed with a service partner to establish a monthly Entrepreneurial Founder Roundtable series.

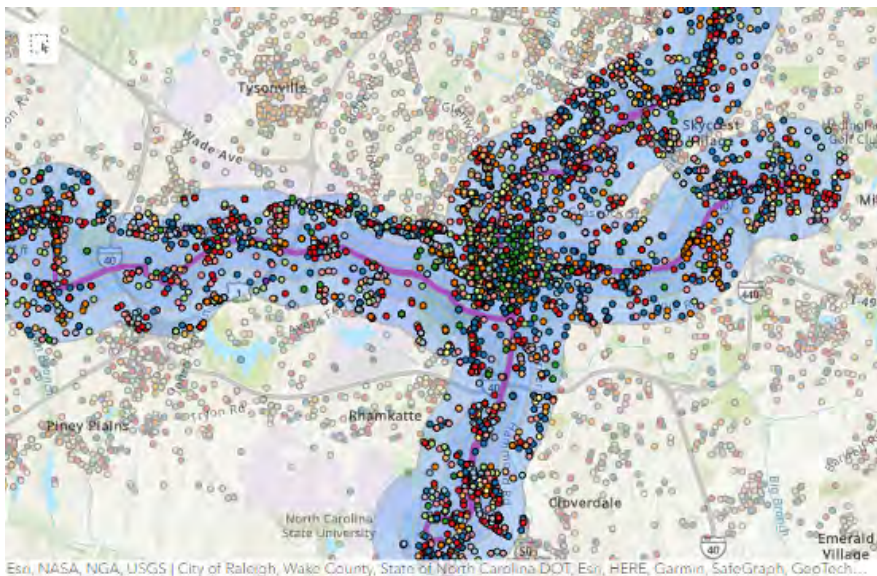
IMPACT: Work has commenced on the new program, with full implementation scheduled for FY25.

- **PUBLIC PROJECT COMMUNITY SUPPORT FUND (PPCSF local funds)**

PURPOSE: Address both short-term construction disruptions and long-term development effects from major City projects, including Dix Park and the New Bern Avenue Bus Rapid Transit (BRT) system.

IMPACT: Two community partners, the Raleigh Chamber Foundation and El Centro Hispano, actively supported small businesses along the New Bern Avenue BRT Corridor. Their efforts

WAKE BUS RAPID TRANSIT (BRT)



7,866
BUSINESSES
EMPLOYING
94,414
PEOPLE IN THE
BRT AREA

included monthly workshops, video production and promotion (in collaboration with Capitol Broadcasting), public outreach, and the creation of resources, including Spanish-language materials. These initiatives aimed to enhance business resilience and increase community awareness. (FY24 programming complete)

In addition to the new programs, Small Business Development funding has been provided for 4 ongoing recurring programs:

- **BUILDING UPFIT GRANT (BUG)**

PURPOSE: This matching reimbursement program encourages small business owners to activate new business use by investing in interior improvements for commercial properties. It matches up to 50% of qualified construction costs, with a maximum grant amount of \$25,000, to foster new business activity and job creation.

IMPACT: In FY24, the program awarded \$431,610 to 20 small businesses, with many still undergoing construction. Disbursements for the year totaled \$136,650 to 6 businesses, facilitating over \$1.21 million in upfit improvements. This resulted in an impressive leverage of 8.8 times the amount awarded. (This is a recurring quarterly program.)

- **FACADE REHABILITATION GRANT**

PURPOSE: This matching reimbursement program aims to enhance economic vibrancy and attract foot traffic by funding the rehabilitation of deteriorated building exteriors. It covers up to 50% of qualified construction costs, with a maximum grant of \$10,000.

IMPACT: In FY24, the program allocated \$30,000 to 3 small businesses, all of which are currently in the construction phase. (This program has been newly activated as a recurring quarterly initiative.)

- **ECONOMIC DEVELOPMENT FUND – PROGRAMMING**

PURPOSE: The Economic Development Fund provides support for economic development activities that benefit Raleigh. Funding is leveraged through partner organizations. (annual funding, including Downtown Raleigh Alliance, Hillsborough Street Community Service Corporation, Blue Ridge Corridor Alliance)

IMPACT: Delivers resources and support for business communities within defined districts, including events and programming. Enables Economic Development data collection, along with quarterly and annual reporting from the districts.

- **STRATEGIC TECHNOLOGY SOLUTIONS**

PURPOSE: Technologies to serve the thousands of small businesses throughout Raleigh, accelerating entrepreneur access to solutions independent of staff or schedule constraints. Providing 24x7 online access to data and best practices that assist small business creation, resiliency and growth.

IMPACT: In the first year of use, the new Small Business Insights – Local Business Intelligence tool was visited at a pace of 251 visits per month, providing entrepreneurs with dynamic market benchmarks and demographic data, as well as heat maps for business performance, workforce, and customer metrics.



PROGRAM HIGHLIGHTS



FIVE STARS – HOSPITALITY WORKFORCE DEVELOPMENT (ARPA FUNDED)

The City of Raleigh is proud to support the Five Stars program, which has made remarkable strides in connecting job seekers with opportunities in the hospitality sector. On March 5, 2024, Capital Area Workforce Development successfully hosted its second hiring event at the NCWorks Career Center drawing a diverse group of eager candidates.

Among the job seekers was Jeremy Martin, who learned about the event through his case manager at the South Wilmington Street Center. Despite facing the challenges of past incarceration, Jeremy is determined to break through barriers and pursue a career in the hotel industry, with a particular passion for baking.

"Baking is a career that I would love to do. It has always been a passion of mine, and I've always dreamed of starting my own bakery one day," Jeremy shared.

While actively searching for a job, Jeremy has been gaining invaluable experience volunteering as a server and busboy at A Place at the Table, a Raleigh non-profit that empowers food-insecure individuals to contribute their time in exchange for a meal and experience. Together, we are building a brighter future for our community.



BUILDING UPFIT GRANT (BUG)

We are pleased to highlight the impactful work of our Building Upfit Grant recipients, particularly Randi Smith, the owner of Sugar Euphoria, a proud Black-owned and woman-owned small business. Randi learned about the city's building upfit grant through a conversation with her landlord, demonstrating the power of community connections in spreading information.

Motivated by her passion for baking and the desire to enhance her business, Randi applied for the grant to assist with the construction and interior improvements of her bakery. This support not only strengthens Sugar Euphoria but also contributes to the vibrancy of our local economy. We are proud to partner with entrepreneurs like Randi, whose dedication and creativity enrich our community and exemplify the spirit of diversity and inclusion in our business landscape.

"The building up-fit grant was my first big grant. Knowing that I needed some capital as an immigrant and not having a long credit history, I realized I required more than what we could pull from personal savings."

We are proud to partner with businesses like Sugar Euphoria, whose success exemplifies the power of resourcefulness, the impact of local support, and the spirit of diversity and inclusion in our entrepreneurial ecosystem.

Partnerships

The Small Business Development team relies on various partner organizations to help reach over 26,000 small businesses across Raleigh. These include Business Alliances, Entrepreneurial Support Organizations (ESOs), Co-Working, Pop-Up and Maker Spaces, Financial and Educational institutions, Workforce Development organizations, and our Raleigh Economic Development partners at the Greater Raleigh Chamber of Commerce.

BUSINESS ALLIANCES

While no two are alike, Business Alliances are generally nonprofit organizations that often offer a variety of services, including business directories, small business promotions, member services, technical assistance small business training, business events, networking opportunities, newsletters and more. Small Businesses that engage with Business Alliances can benefit from these services and the resources they can bring.

In FY24, the Small Business Development team engaged with these 15 Business Alliance partners:

ALLIANCE DISTRICTS

- Downtown Raleigh Alliance
- Hillsborough Street Community Service Corp
- Blue Ridge Corridor Alliance
- Midtown Raleigh Alliance
- Five Points Business District Association
- North Raleigh Chamber of Commerce
- Glenwood South Neighborhood Collective

CITY-WIDE ALLIANCES

- Carolinans Asian American Chamber
- Black Dollar
- Harmony: LGBT+ Allied Chamber
- Hispanic American Chamber of Commerce
- Raleigh Chamber of Commerce
- Shop Local Raleigh
- Triangle ArtWORKS
- VisitRALEIGH (GRCVB)



ALLIANCE COLLABORATION

Dating back to early 2020, a series of meetings has evolved into a monthly collaboration roundtable for all Alliance partners. During FY24, six special topics and guest presentations were delivered during these Business Alliance collaboration roundtables including:

- **Sip n Stroll District / Updated Noise Ordinance (Special Events Office)**
- **Universal Video Training Library, Vendor Fair (Consult Your Community NCSU Chapter)**
- **Streeteries / Arts Projects (Special Events Office)**
- **Youth Workforce Development & Entrepreneurship (Raleigh Pathways)**
- **Ike Digital Kiosk Ribbon Cutting (City of Raleigh)**
- **Zoning & Permits Customer Service (Planning & Development)**

ENTREPRENEURIAL SUPPORT ORGANIZATIONS (ESOS)

Small Businesses have access to several Entrepreneurial Support Organizations (ESOs), that are available to offer business counseling, coaching, mentoring, and assistance. These services are almost always at no cost to business owners. Once Small Business owners become aware of these organizations, they are often able to put their businesses on a more positive trajectory.

The Small Business Development team engaged with the following ESO partners in FY24, including 14 small business events, and 30 ecosystem engagements overall:

- **Consult Your Community (NC State Chapter)**
- **El Centro Hispano**
- **Entrepreneurial & Small Business Center at Wake Tech (SBC)**
- **LAUNCH Raleigh**
- **Prospera**
- **Right to Start**
- **Small Business and Technology Development Center (SBTDC)**
- **The Institute**
- **Women's Business Center**
- **Various Local Accelerators/Incubators/Co-Working/Maker Spaces**



PARTNER EVENTS

Raleigh's Business Alliance and Entrepreneurial Support partners have developed an array of training, networking, vendor and other events, to help local business owners to learn best practices and make new connections. The City's new Small Business Event Calendar is a strategic tool that consolidates these various partner event listings into a convenient online "one stop shop" for small business owners interested in improving their resiliency and growth.

For FY24, the Small Business Development team identified and published an increase of 43% more events (most notably 3x the number of training webinars and workshops – about 2 per week) available for Raleigh's small business owners and entrepreneurs. For the first time, Spanish language events were also included. Overall for FY24:



ECONOMIC DEVELOPMENT REPORTS

Various Business Alliances prepare Annual Reports for their respective districts or constituencies. A few examples are:

- [Downtown Raleigh Alliance \(DRA\) – FY24 Annual Report](#)

"The growth of our downtown community is also evident in the expansion of our business base. In the first half of 2024, over 40 new storefront businesses have opened or expanded, with another 40 announced coming soon. Visitation is growing with over 19 million visitor visits in the past year, and June 2024 marked the first month to surpass pre-pandemic visitation levels, with 1.9 million visitor visits."

- [Hillsborough Street Community Service Corporation \(HSCSC\) – FY24 Semiannual Market Report](#)

"The corridor had over 803,600 individual visitors, up 1.35% from the second half of last year. While the corridor is heavily student based, we see a lot of visitors come for the Food & Beverage (F&B) options we have available. F&B was very strong this half of the year, with our highest month ever being April with over \$6.1 million in sales. Hillsborough Street has surpassed pre-COVID numbers and is looking to continue to grow in the F&B category with new businesses."



New Resources

To support the growth and success of small businesses in Raleigh, we've been dedicated to creating a comprehensive hub of resources within the Raleigh economic development ecosystem on the City of Raleigh website. Our goal is to provide a one-stop shop for small business owners seeking guidance, information, and connections to the right resources and support organizations.

Over the past year, the Small Business Development team has introduced several new resources to enhance accessibility and streamline the decision-making process for entrepreneurs.

CENTRALIZED INFORMATION HUB FOR SMALL BUSINESSES

We developed an online catalog on the City of Raleigh website that enables business owners to easily access information about available resources, programs, and services.

SMALL BUSINESS INSIGHTS

This new technology portal provides detailed reports and analyses on market trends and effective business strategies, empowering small business owners with the knowledge needed to thrive. It also features the Small Business Advisor, a new comprehensive tool that offers information on planning, starting, managing, and growing a business, tailored to meet the needs of entrepreneurs. With a mix of text, graphics, videos, and interactive tools, the Advisor is data-driven, hyper-local, and industry-specific, making it easy for users to explore topics of interest.

SMALL BUSINESS EVENT CALENDAR

An up-to-date calendar featuring partner events, workshops, and networking opportunities specifically tailored for small businesses, ensuring they stay connected and informed.

STARTUP ROADMAPS

We created step-by-step guides designed to assist entrepreneurs in launching and scaling their businesses, making the process clearer and more manageable.

ACCESS TO CAPITAL

A comprehensive list of funding opportunities, including loans and investment options, to help businesses secure the capital they need to grow.

WORKFORCE DEVELOPMENT

In partnership with City and regional workforce organizations, we are highlighting training programs and resources aimed at workforce development, ensuring that businesses have access to skilled labor.

REACTIVATION OF FACADE REHABILITATION GRANT

We have updated the Facade Rehabilitation Grant program to assist businesses in enhancing their exterior appearances, contributing to the overall vibrancy of our community.

PROGRAM UPDATE OF BUILDING UPFIT GRANT

The Building Upfit Grant program has been updated to better support businesses in upgrading and renovating their facilities, making it easier for them to enhance their operations.

These resources are designed to accelerate the path to success by providing small business owners with timely and relevant information. We are committed to continually enhancing our offerings to support the dynamic needs of our small business community.

Outreach

An ongoing challenge of the Small Business Development team is to build public awareness about the various resources available for small business owners. Outreach through Entrepreneurial Ecosystem partners is key to sharing best practices. The team accelerated the pace in FY24, almost tripling outreach and engagements, including new inroads with Spanish language podcast/radio/TV, and expanded partner event coverage. The Small Business Development team was also featured in the new City of Raleigh BIG IDEAS podcast series.



142 TOTAL OUTREACH / ENGAGEMENTS

The Small Business Development team also engages directly with small businesses, participating in (and sometimes leading) events including business conferences, expos, community meetings, focus groups, workshops, and webinars.



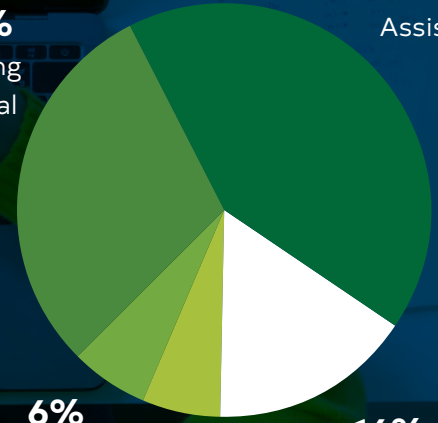
Enhancing Small Business Support and Service

With the creation of the Small Business Development team in FY23, small business owners finally have a dedicated resource for questions and issue resolution. For FY24, the team fielded 131 inquiries, resulting in 121 issues addressed along with 64 referrals to involve other organizations and subject matter experts for further follow up. Compared to the prior year, incoming service requests jumped 56%, indicating better awareness of team services and resources.

With Pandemic shutdown effects finally receding, inquiries about funding fell from 41% to 30% of overall call volume, while requests for technical assistance, best practices, and networking opportunities expanded from 48% to 58%.

30%
Seeking
Capital

42%
Info / Tech
Assist



6%
Zoning /
Permits

6%
Site
Selection

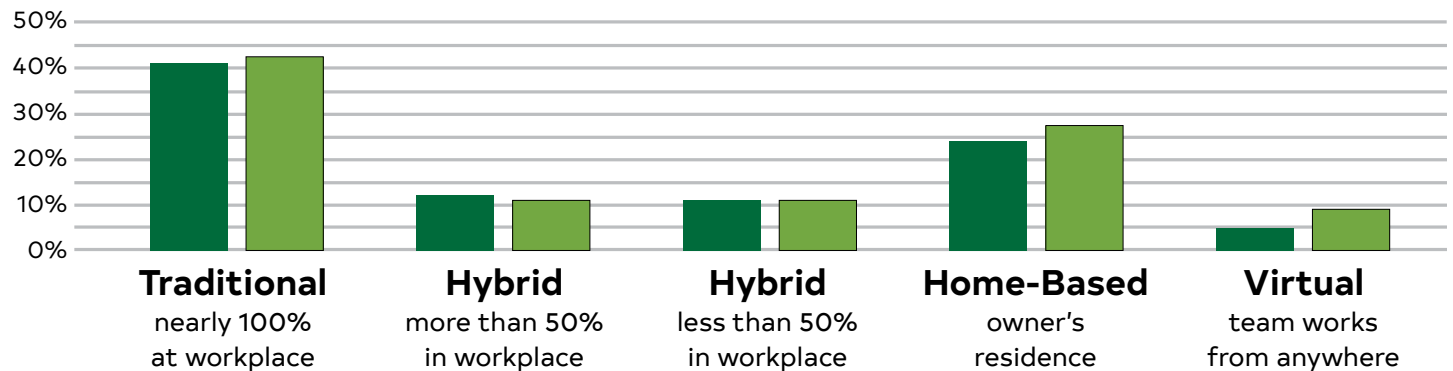
16%
Intro /
Networking

Small Business Survey 2023

Now in its third year, the annual Small Business Survey continues to keep a pulse on Raleigh's small business environment. Consistent with past years, the 2024 survey received responses mostly from the smallest businesses (5 or fewer employees), in business for at least 5 years. Industry mix remained broad, with services, retail, entertainment and hospitality at the top categories. One notable trend reflecting the new Small Business Development resources now online: almost half of respondents now prefer using the City web site (46%), compared to only 27% in FY22.

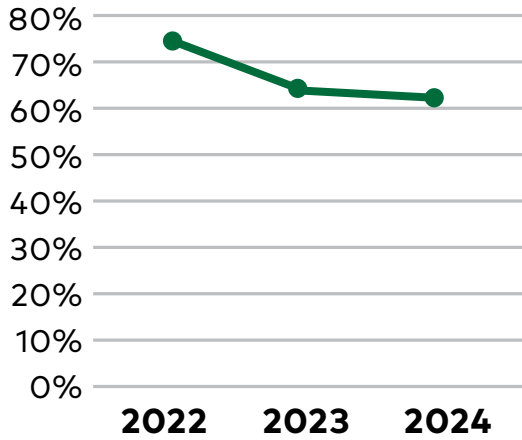
SMALL BUSINESS HIGHLIGHTS:

OFFICE / WORKING MODEL

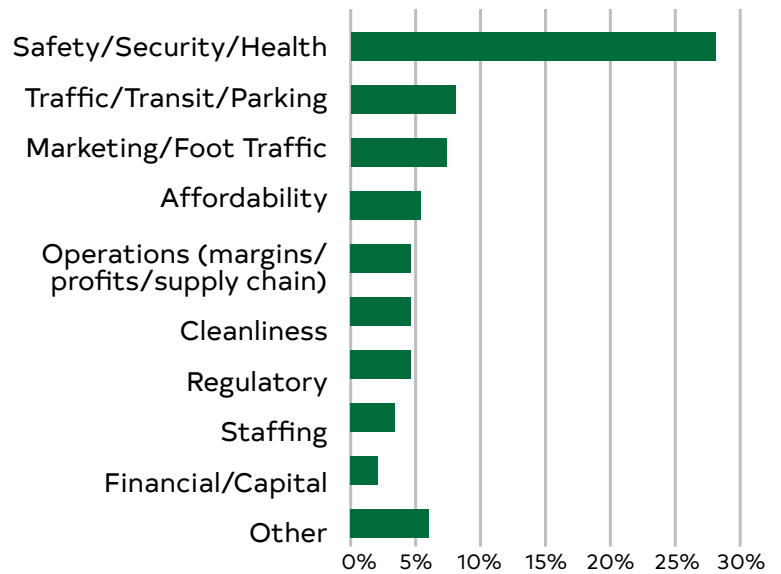


The Hybrid model endures: No significant shifts for FY24. In-person office presence remaining flat year-over-year, with just over half in the workplace most or all of the time.

EXPANSION INDEX NEXT 2 YEARS



BIGGEST BUSINESS CHALLENGE



The Expansion Index was relatively flat for FY24, and >50% still indicates a bias for growth.

FY2024 SHIFTS

With other post-pandemic metrics finally stabilizing, safety and security remain a priority. The City of Raleigh, along with partners like Downtown Raleigh Alliance have implemented measures to enhance security, with initial outcomes already indicating improvement.

Other trends:

- Reduced concern: sharp reduction in pandemic era challenges with supply chain, staffing, foot traffic and immediate financial survival.
- Emerging concerns: safety, traffic/transit/parking, and workforce housing affordability.



Equitable Economic Development

The City of Raleigh benefits from a talented and diverse workforce and community of small business owners. The Small Business Development team is fully committed to ongoing outreach, partnership, and support for Raleigh's hard working and entrepreneurial minority / woman owned businesses, and small business communities that may have been overlooked in the past. Some FY24 highlights include:

BUILDING UPFIT GRANT

- New Program Awards: 20 small businesses, \$431,610
- 9 Minority-owned or co-owned businesses, 9 Woman-owned or co-owned businesses
- Cumulative program since 2017: 39% minority / 43% woman owned or co-owned

NEW BERN AVE PROJECT IMPACT MITIGATION

Partnering with Community Organizations to help small minority owned businesses mitigate Bus Rapid Transit (BRT) development impacts.

BUSINESS RESOURCE GUIDE TRANSLATION

Transformed our Small Business Resource Guide static document into searchable HTML format to enable instant translation into over 50 languages.

PARTNER SIGNATURE EVENT SUPPORT & ENGAGEMENT

- NC Hispanic American Chamber of Commerce – National Hispanic Heritage Month Annual Meeting and Gala

- Women's Business Center – Annual Moving Forward with Purpose Conference
- Harmony LGBTQ+ Chamber of Commerce – Business Connect and PrideLife Expo
- NC Vibes – International Women's Day Expo – Small Business Panel
- Triangle ArtWORKS – SMASH! Annual Conference
- National Community Development Association – Small Business & Workforce Development Panel

DIVERSE MEDIA OUTREACH

- Building Upfit Grant - featured news report on Univision (Spanish)
- Triangle Tribune – Public Project Community Support Fund / New Bern Ave BRT Project
- Small Business Resources broadcast – Hispanos Del Sur public affairs show on 106.5FM
- City of Raleigh Big Ideas Podcast: Sugar Euphoria, Black-owned Small Business episode
- Capitol Broadcasting – Small Business Features and New Bern Ave BRT project awareness, (produced by our partner Raleigh Chamber Foundation).

CITY ECONOMIC DEVELOPMENT COLLABORATION

- Small Business Development works closely with the City's Minority & Women Business Enterprise (MWBE) team, and the City Office of Strategy and Innovation, on key equitable economic development initiatives, including:
- Right to Start Hispanic Business Roundtable series
- LatinX Entrepreneurial Ecosystem Resource Partner series
- Annual MWBE Small Business Expo
- Startup Workshop (also offered in Spanish)

BLACK DOLLAR – PARLEY SERIES

Small Business Development was an active participant in this monthly entrepreneurial workshop, hosted by Black Dollar.

SMALL BUSINESS INSIGHTS – ONLINE MARKET DATA TOOL

Market intelligence and Raleigh's diverse demographic data are mapped and available for small businesses. The tool can be accessed in English or Spanish (for FY24, accessed in Spanish 9.4% of the time). Additionally, our Small Business Insights technology partner is a minority-owned small business.

Accolades

Milken Institute's Best-Performing Cities: Raleigh ranks 2nd overall, moving up from 3rd last year. The city has been in the top 20 for 12 consecutive years.

Forbes' Best States to Start a Business: North Carolina is ranked 5th, with a business survival rate of 77% and average funding of \$22,019 for small businesses.

LendingTree's Best Places to Start a Business: Raleigh is ranked 1st among the largest U.S. metros, with a perfect score of 100 for business climate. Durham ranks 3rd.

WalletHub's Best City for Veterans to Live: Raleigh is recognized as the #1 Best City for Veterans, scoring high in employment, economy, and quality of life.

Wells Fargo Ranking for Women Entrepreneurs: North Carolina ranks 2nd nationally, highlighting strong support initiatives for women-owned businesses.

StorageCafe's Most Spacious Homes and Lots: Raleigh is ranked #1 for the most spacious homes, with a median home size of 1,950 square feet and lot size of 10,450 square feet.

CITY OF RALEIGH SMALL BUSINESS DEVELOPMENT - LEARN MORE

To learn more about the City's work with Small Business Development, please visit raleighnc.gov and search for "small business". You can also stay up to date on related activities by subscribing to "Economic Development and Innovation News + Events" through the City's email system, GovDelivery.



CITY OF RALEIGH HOUSING AND NEIGHBORHOODS

Our department improves the quality of life for Raleigh's residents by adding affordable housing, improving existing affordable housing, revitalizing older neighborhoods, nurturing neighborhood businesses, and supporting related human services. The department is committed to improving and maintaining the quality of life and environment for all City of Raleigh citizens by enforcing City codes.

We offer a variety of programs to help people of every age and background become more active in their neighborhoods and the wider Raleigh community. The department helps individuals, groups, and communities recognize their skills and assets, mobilizes people to take action on their own behalf, and connects them to appropriate resources so they can achieve positive results for their neighborhoods and communities.





Raleigh

HOUSING AND NEIGHBORHOODS

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