



HOUSING AND  
NEIGHBORHOODS

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# *Small Business Development Annual Report*

FY22-23





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# Small Business Development FY22-23 Annual Report

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. More generally, Small Business Retention & Expansion (BRE) is key to overall economic resiliency of the City.

For these reasons, when the Fiscal Year (FY23) began in July 2022, the City's Small Business Development team was created. This team is 100% focused on Economic Development for Raleigh's 26,000+ small businesses – many of those having just one or two owner/employees.

To reflect the natural ties between small businesses and surrounding communities, the team was created under the City's Housing and Neighborhoods Department (Community and Small Business Development Division). This organizational structure places the members of the Small Business Development team in immediate proximity to expert colleagues who manage intersecting interests: Affordable Housing (particularly for the local workforce), Community Development, and Neighborhood Enrichment.

In complete alignment with the Economic Development & Innovation pillar of the City of Raleigh Strategic Plan, the Small Business Development team serves as an ally for small businesses throughout our community, whether storefront, office, industrial, home-based, hybrid, startup, or well-established community favorites. Over the past year the Small Business Development team has served as a resource and a connector for small businesses citywide, with particular attention on women-owned and minority-owned businesses.

So – Welcome to our inaugural Small Business Development Report. This report will be issued annually featuring our programs, partnerships, resources, and events. This inaugural Annual Report will provide general updates about Raleigh's small business environment.

This first year's efforts included spinning up a new team, mapping our priorities and Key Performance Indicators, filling crucial resource gaps, and developing some basic tools. With all that now in place, we are already excited about building on the positive momentum going into our second year.

We thank the Mayor, City Council, City staff & management, and our community partners for supporting this new vision of equitable economic development. We especially thank the small businesses that make Raleigh such a unique and special place to be! We hope you find this report useful.

## 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

Programs administered by the Small Business Development team include ongoing recurring general Economic Development support (Building Upfit Grant), as well as one-time or situational support (mitigating COVID impacts or City construction disruptions).

### OVERALL PROGRAM IMPACT: FY 2022-2023

Raleigh's Small Business Community were served by **\$4,045,199 awards and commitments**, including program awards to **114 small businesses**, and program funding to **7 partner organizations** who leverage programming to benefit the small businesses across Raleigh they collectively support.

ARPA: Oak City Biz Labs - disbursements to 88 awarded small businesses	2,189,645
ARPA: Oak City Biz Labs - program management & technical assistance funding	348,783
ARPA: Hospitality Workforce Development - awarded contract	437,500
Public Project Community Support Fund - small business partner contracts	225,000
Building Upfit Grant - matching reimbursements to 26 small businesses	571,271
Economic Development Fund - contracted programming / small business support	273,000



## PROGRAM DETAILS

The past year has involved an unusually high rate of creating and delivering new programs:

- **Oak City Biz Labs (ARPA funded)**

PURPOSE: Small Business Stabilization - to strengthen operating capabilities and resilience of businesses that experienced significant Pandemic revenue loss. Oak City Biz Labs provided an incentive (up to \$30,000) to small businesses, conditional upon completing small business stabilization training. Program incentives resulted in 3,483 hours of Business Stabilization training being delivered to the small business community. Oak City Biz Labs was administered with subrecipient partner Carolina Small Business Development Fund. (program complete)

- **Public Project Community Support Fund (PPCSF local funds)**

PURPOSE: Mitigate short-term construction impacts and long-term development impacts resulting from large City construction projects (Dix Park and New Bern Avenue BRT). Part of a new \$1.5M cross-departmental PPCSF program, the \$225,000 Small Business Development component was one of the first to launch, creating resources and a series of workshops for small businesses. Two contracts were awarded to community partners who are engaging directly with the small businesses along the New Bern Avenue BRT Corridor: Raleigh Chamber Foundation, and El Centro Hispano. (program under way)

- **Five Stars – Hospitality Workforce Development (ARPA funded)**

PURPOSE: Address workforce shortages resulting from the Pandemic, for the hard-hit hotel hospitality industry sector. The program is being administered through subrecipient partners Wake County / Capital Area Workforce Development. (program under way)

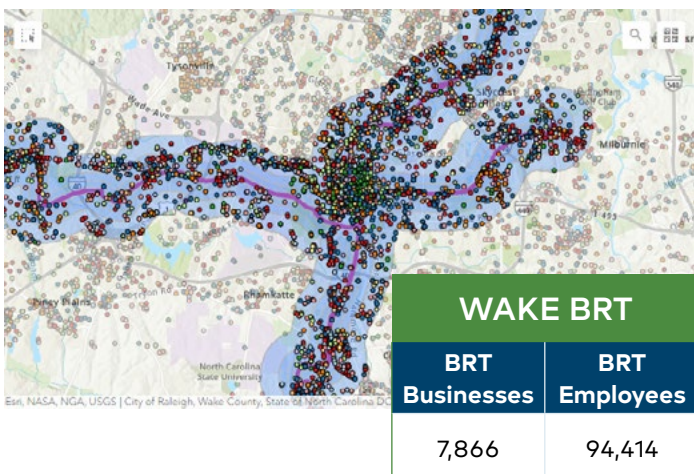
In addition to the new programs, Small Business Development funding has been provided for 2 ongoing recurring programs:

- **Building Upfit Grant (BUG)**

PURPOSE: This matching reimbursement program helps small business owners invest in commercial property improvements, by matching up to 50 percent of the qualified construction costs, up to a maximum of \$25,000. The \$571,371 in program awards for FY23 enabled over \$4.12M in upfit improvements, leveraging a 7.2x impact for each dollar awarded. (recurring quarterly program)

- **Economic Development Fund – Programming**

PURPOSE: The Economic Development Fund provides support for economic development activities that benefit Raleigh. Funding is leveraged through defined district organizations to deliver business resources and support (annual funding includes Downtown Raleigh Alliance, Hillsborough Street Community Service Corporation, Blue Ridge Corridor Alliance).



## PROGRAM HIGHLIGHTS

Oak City BIZ Labs spotlight:

### SMILES AT GLENWOOD

*“It was great to know that the City of Raleigh and the Carolina Small Business Development Fund worked together to support Raleigh businesses such as mine...*

*Knowing that the City is here for us, the small business owners, is incredibly meaningful at this time.”*

- Dr. Candice T. Arrick, DDS, owner of Smiles at Glenwood, who received Oak City Biz Labs funds to help expand her brand and business.



Building Upfit Grant spotlight:

### 321 COFFEE

*“The whole team really set me up for success in getting me the information... We were really able to use the Building Upfit Grant to help with all of those expenses to make this a reality... I think that it speaks so highly to what the City of Raleigh is doing in trying to enable new entrepreneurs and new concepts”.*

- Lindsay Wrege, Raleigh native and small business owner, sharing the impact the Building Up-fit Grant has had on 321 Coffee.





# 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 and Maker Spaces, Financial and Educational institutions, 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 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 FY23, 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  
Person Street Partnership

### CITY-WIDE ALLIANCES

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

## ALLIANCE ENGAGEMENT

Dating back to the initial shutdowns brought on by the COVID-19 pandemic, a series of emergency meetings has evolved into a monthly roundtable meeting for all Alliance partners. During FY23, five guest presentations were delivered during these Business Alliance collaboration roundtables including:

- **SUSTAINABILITY TOOLKIT** (Office of Sustainability)
- **EQUITY LENS** (Department of Equity and Inclusion)
- **TOURISM U** (Greater Raleigh Convention and Visitor Bureau),
- **ALLIANCE CALENDAR+WEBPAGE** (Communications),
- **SMALL BUSINESS INSIGHTS TOOL – PUBLIC LAUNCH** (SizeUP Technology Partner)



## ALLIANCE EVENTS

The Business Alliance community has developed a number of resources and events, available to small business owners. The Small Business Development team launched an online pilot of a shared calendar of events, which is also shared directly with Business Alliances and ultimately to their members.

For FY23, the following events categories (and event totals) were logged and published to Alliance partners:

	<b>10</b> Grant / Funding dates
	<b>57</b> Networking Events
	<b>13</b> Annual Meetings / Public Affairs / Expos
	<b>34</b> Webinars / Training
	<b>43</b> Vendor Events / Foot Traffic Opportunities
	<b>157</b> Total Published Alliance Calendar Event Items - FY23



## ALLIANCE ECONOMIC DEVELOPMENT REPORTS

Some Business Alliances issue their own Annual Reports for their respective districts or constituencies. Some notable examples include:

- **Downtown Raleigh Alliance (DRA) – FY23 Annual Report**

"Downtown Raleigh has experienced exceptional growth over the past decade and is poised for more growth, remaining an attractive and affordable market for residential, office, retail, and tourism. Downtown Raleigh's high quality of life and its many amenities are attracting new residents, office tenants, business owners, and visitors, making it one of the fastest growing downtowns in the country."

- **Hillsborough Street Community Service Corporation (HSCSC) – FY23 Semiannual Market Report**

"Overall, with continued investment and development momentum, as well as strong fundamentals across sectors, Hillsborough Street remains well-positioned for long-term growth and vitality, though near-term headwinds like potentially slowing sales and lingering retail vacancies may present challenges for the second half 2023."

- **Glenwood South Neighborhood Collective (GSNC) – FY23 Economic Impact Study**

"In the final analysis, the report showed that the total economic benefits of Glenwood South resident and visitor expenditures exceeded \$1.2 billion annually."

## ENTREPRENEURIAL SUPPORT ORGANIZATIONS (ESOS)

Small Businesses have access to a number of 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 FY23, including 8 full team "meet and greets" and small business events:

### ENTREPRENEURIAL SUPPORT ORGANIZATIONS (ESOS)

Entrepreneurship & Small Business  
Center at Wake Tech (SBC)

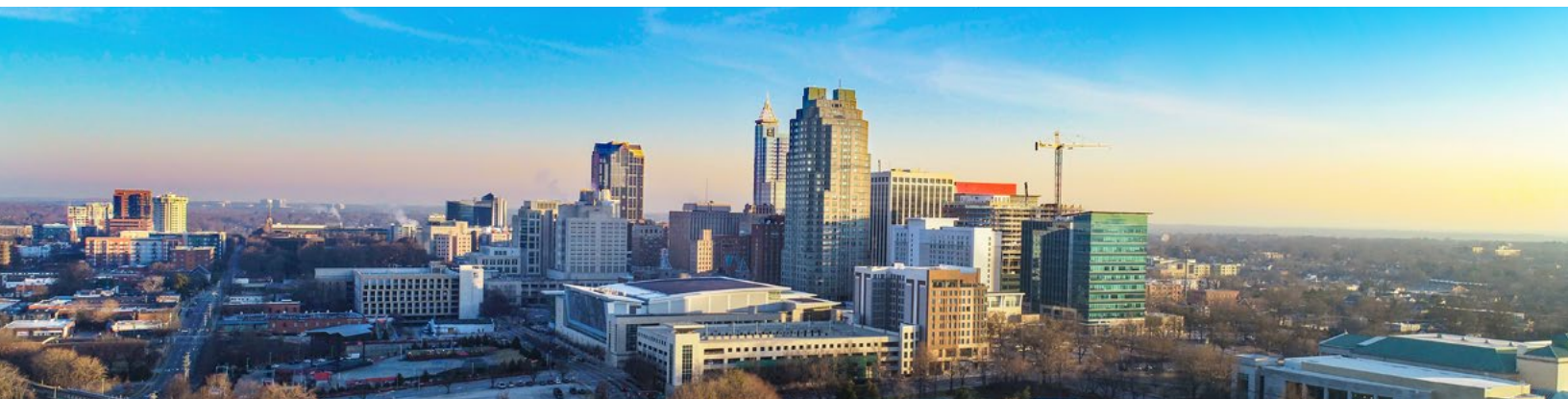
LAUNCH Raleigh

Prospera

Small Business and Technology Development  
Center (SBTDC)

Women's Business Center / The Institute

Various Accelerators / Incubators /  
Co-Working / Maker Spaces





# New Resources

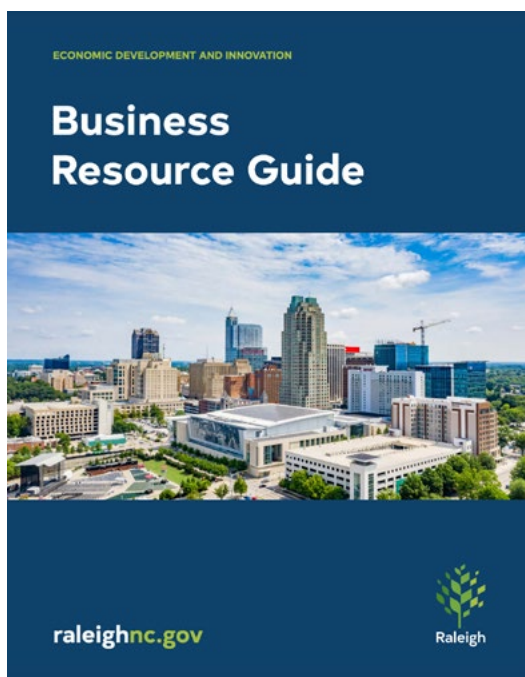
Building a successful business means maximizing growth and profitability. The most reliable way to fuel that growth and profitability comes from making sound business decisions, based on best practices, information, and tools.

Since creating the new Small Business Development team over the past year, priority has been placed on developing a wide array of new resources for the small business community. Rather than "learning the hard way" which is so common for entrepreneurs, the goal is to accelerate the lane to success by making better information available, sooner, for small business owners.

Here are the new resources that have been delivered in FY23:

## BUSINESS RESOURCE GUIDE

THE "one-stop shop" catalog for small business owners has information about business planning, funding, networking, support, professional organizations and more. Published January 2023, the Business Resource Guide introduces new charts and infographics to help speed up the decision process.



## SMALL BUSINESS DEVELOPMENT HOME PAGE

Brand new landing page created and curated to connect small business owners to City programs, professional organizations, entrepreneurial research tools and more.



## SMALL BUSINESS STARTUP ROADMAP

Startup Roadmaps describe the basic requirements to launch specific types of businesses. Step-by-step instructions will help take an entrepreneur from registering a business name to opening day. The first guide (to start a Restaurant) was published in FY23, with more business categories on the way FY24.



SUSTAINABLE BUSINESS TOOLKIT

The new Raleigh Sustainable Business Toolkit has a collection of resources and support programs curated by the City's Office of Sustainability, with a focus on energy efficiency and climate impact:

Energy Efficiency, Cost Savings, and Recognition

PROGRAM	WHO IS THIS FOR?	DESCRIPTION	ARE YOU INTERESTED IN?
<a href="#">Duke Energy's Business Energy Saver Program</a>	Businesses looking to save money and become more energy efficient	Begins with a free energy assessment and recommendations. Duke then pays up to 80 percent of the cost of identified efficiency improvements.	Incentives for installation of energy efficient lighting, HVAC, chillers, and refrigeration equipment. Energy use in buildings is Raleigh's largest contributor to GHG emissions. Be a climate leader and reduce your GHG footprint while saving
	nonprofits, and residents	supported group purchasing program for solar installations. By buying in bulk, the contract creates lower prices for participants. This program runs for a limited time! Sign up for a free assessment now.	discounted price. The 2022 enrollment has closed, and 2023 will open soon. We are the largest Solarize campaign in the country- be a part of our work to be a climate leader!
<a href="#">Solar Permitting Guides (Residential and Commercial)</a>	Businesses or residents interested in installing solar	Step-by- step guide to the city's permitting process	Quick approval for residential and commercial solar projects
<a href="#">Waste Reduction Partners</a> (energy, water and waste)	North Carolina businesses and institutions	State- supported program providing free expert technical assistance for reducing energy use, water and waste.	On- site assessments and consulting services to support environmental solutions that help you save resources. This program has many options and resources to help you be a climate action leader in Raleigh!
<a href="#">N.C. Environmental Stewardship Initiative</a>	All businesses	State- wide recognition and support for businesses that are working toward improving their environmental performance. Set sustainability	Recognition as an environmentally sustainable business, no- cost technical assistance, networking opportunities. This program has

ENTREPRENEURIAL SUPPORT ORGANIZATION (ESO) INDEX PAGE

New resource page designed to help small business owners connect more quickly to organizations that are ready to help – usually at no cost to business owners.

Raleigh

NewsEventsServicesPrc

### Entrepreneurial and Small Business Support Organizations

UPDATED: JUL 6, 2023

Jump To:

[EDPNC SMALL BUSINESS ADVISORS](#) [WAKE TECH SMALL BUSINESS CENTER](#) [SMALL BUSINESS & TECHNOLOGY DEVELOPMENT CENTER](#) [U.S. SMALL BUSINESS ADMINISTRATION](#) [LAUNCHRALEIGH](#) [MORE RESOURCES](#)

SMALL BUSINESS INSIGHTS TOOL

The City of Raleigh made a strategic investment in FY23 for self-service technology for Small Businesses. The tool (powered by SizeUP) was released June 2023 on the Small Business web site 24/7, and provides small businesses with market research that is typically only accessible to large corporations. A small local business owner can see industry-specific and hyperlocal information to inform smarter decisions and help the business grow. Initial feedback has been positive, and online visits have been increasing.

HomeENESHelp

Measure Your Business Performance  
Compare your business ranking to industry competitors

Find Customers, Suppliers, and Competitors  
Reveal new business opportunities and threats

Optimize Marketing and Advertising  
Target your ideal customers

Analyze Demographics  
Explore nearby customer and employee characteristics





# Small Business Events And Outreach

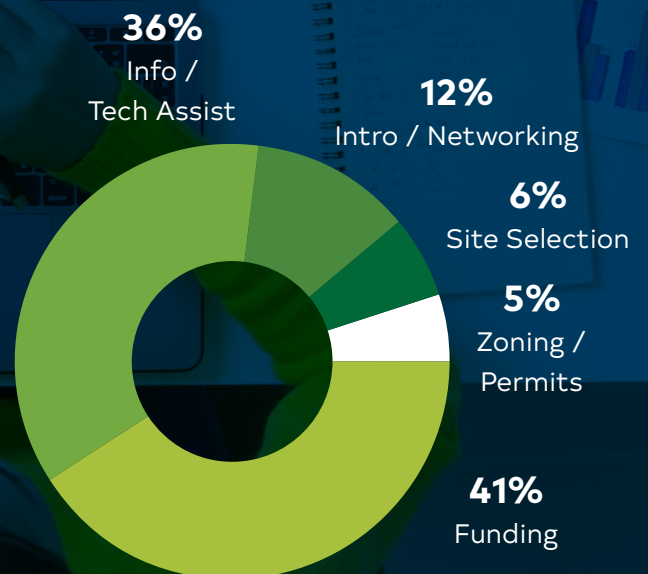
A major challenge of the new Small Business Development team has been to build public awareness about the various resources available for small business owners. The Small Business Development team has engaged closely with Entrepreneurial Ecosystem partners, participating in events and other outreach opportunities in FY23. The team has also been engaging with small businesses directly.

There is still much work to be done to build public awareness, but the team has gotten off to a good start and is already building on this momentum in FY24.



## Small Business - Customer Service

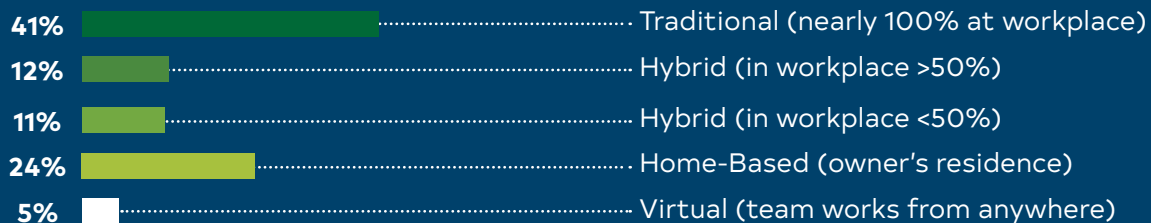
With the creation of the Small Business Development team in FY23, small business owners finally have a dedicated resource for questions and issue resolution. Over the first 12 months, the team fielded 84 inquiries, resulting in 74 issues addressed along with 23 referrals to involve other organizations and subject matter experts for further follow up.



# Small Business Survey 2023

After a successful pilot in Spring 2022, the 2023 Small Business Survey was enhanced with new questions, and a new infographic formatted trend report. The smallest of small businesses were well represented on the survey (263 survey participants: 68% had only 1-5 Full Time employees, 81% had only 1-5 Part Time employees). Most survey participants have been in operation for at least 5 years (68%). One strategic soft spot is the continuing need to build public awareness of City programs and resources, but this metric has shown some positive momentum over the past 12 months.

## OFFICE / WORKING MODEL



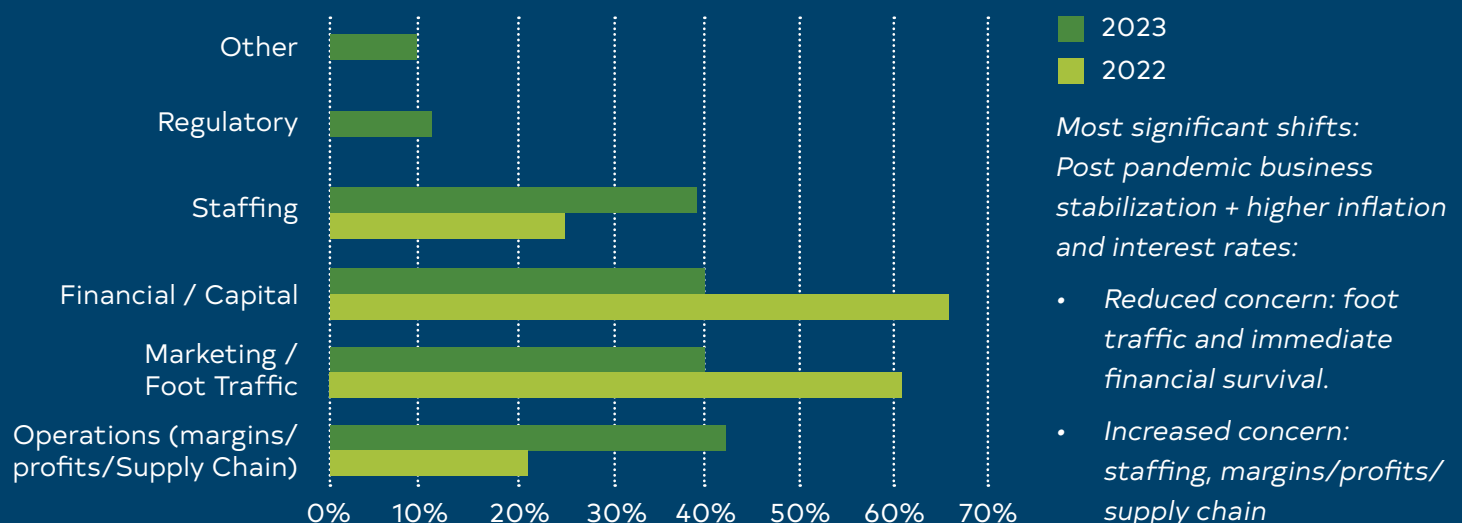
*The Hybrid model endures: Just over half are in the workplace most or all of the time*

## EXPANSION INDEX - NEXT 2 YEARS



*The Expansion Index shows a downward trend, but >50% still indicates a bias for growth.*

## BIGGEST BUSINESS CHALLENGE





# 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 FY23 highlights include:

## OAK CITY BIZ LABS FINAL PROGRAM AWARD DISTRIBUTION: 88 SMALL BUSINESSES, \$2.2M

- 57 Minority-owned or co-owned businesses, 53 Woman-owned or co-owned businesses

## WOMENS BUSINESS CENTER / THE INSTITUTE – ANNUAL MEETING AND EXPO

- Small Business Development sponsored and staffed this annual event for minority and woman owned businesses.

## BUILDING UPFIT GRANT FY23 NEW PROGRAM AWARDS: 11 SMALL BUSINESSES, \$265,000

- 5 Minority-owned or co-owned businesses, 10 Woman-owned or co-owned businesses
- Cumulative program since 2017: 38% minority / 44% woman owned or co-owned

## CITY OF RALEIGH MWBE ANNUAL SMALL BUSINESS EXPO

- Partnering with the City MWBE team, the Small Business Development team engaged with minority & women owned businesses, and various organizations who support the community.

## BLACK ENTREPRENEURSHIP WEEK

- Small Business Development sponsored and staffed this annual event with CDFI partner Carolina Small Business Development Fund

## BLACK DOLLAR – PARLEY SERIES

- Small Business Development sponsors and participates in this monthly entrepreneurial workshop, hosted by Johnny Hackett and our Business Alliance partners at Black Dollar.

## PPCSF: FOCUSED ON NEW BERN AVENUE BRT CORRIDOR, 2 FY23 PROGRAM AWARDS, \$225,000.

- \$225k Awarded to non-profit organizations mitigating BRT construction and development impacts to minority businesses concentrated along the New Bern Ave BRT Corridor.

## BUSINESS ALLIANCE LEADER / DIVERSITY ENGAGEMENT – EQUITY LENS PRESENTATION & COLLABORATION

- Small Business Development hosted Dr. Aretina Hamilton (Director of the Department of Equity and Inclusion), who led an Equity Lens presentation / workshop for Business Alliance leaders.

# Raleigh Business And Community Highlights

## #3 BEST PERFORMING CITY

- May 18, 2023 Report from Route Fifty: Via the Milken Institute's Best Performing Cities Index.

## # 5 U.S. JOB MARKET; THOUSANDS MORE JOBS COULD BE COMING

- April 3, 2023 WRAL TechWire

## #11 BEST LARGE CITIES TO START A BUSINESS

- WalletHub's 2023 Best Large Cities to Start a Business

## ONE OF THE FASTEST GROWING CITIES IN THE NATION

- April 9, 2023 WRAL TechWire
- What to do in Raleigh: Why Raleigh is one of the fastest growing cities in the nation (wral.com)

## #3 BEST PLACES TO LIVE

- US News & World Report - Best Places to Live in the U.S. in 2023-2024

## Doing Business

### **CITY OF RALEIGH SMALL BUSINESS DEVELOPMENT - LEARN MORE**

To learn more about the City's work with Small Business Development, please visit [raleighnc.gov](https://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.







**Raleigh**

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