

## **Selden Market: Inspired Shops from Norfolk's Emerging Small Businesses**

**Submitted by:** Downtown Norfolk Council

**Category:** Economic and Business Development

### **Overview and Background**

Selden Market is the latest initiative in Downtown Norfolk Council's [Vibrant Spaces](#) program that started in 2015. The first phase attracted 86 applicants for six available spaces that resulted in three unique retail businesses opening in Downtown. The program's most popular spaces were under 1,000 SF and overwhelmingly, the applicants were fledgling business owners. Those two factors steered the exploration of an "incubator market" which ultimately led to the creation of Selden Market.

Located in the historic Selden Arcade that sits between Main and Plume Streets in Downtown and connects the world-class Slover Library and brand new Hilton Norfolk The Main, Selden Market serves as Downtown Norfolk's first retail incubator for new and emerging businesses. The arcade was transformed into a vibrant space with multiple storefront small-business tenants and booths for rotating pop-up businesses. The goal of the market is to stimulate street-level activity with low rents and short-term leases to help businesses shape their model, learn from each other and build community in a low-risk environment and develop businesses for the City of Norfolk.

### **Innovation**

The Selden Market concept is progressive but not uncharted. Downtown Norfolk Council has incorporated the best practices in retail incubation, markets, food halls and hybrid spaces across the country for a new approach to combat national retail struggles and encourage the independent maker and seller. Downtown Norfolk's first retail incubator helps new and emerging businesses get established by providing six-month leases with significantly reduced rents. A handful of more established retail businesses with longer lease terms open shop alongside the incubators to offer business guidance and support. Pop-up businesses are added regularly to Selden Market to allow businesses to test concepts for daily, weekly and monthly shops.

The four key elements combined in an unprecedented mix are:

- Incubators - Emerging businesses looking to develop their ideas
- Mentors - Established businesses who can share their time and expertise
- Pop-Ups - Ideal for testing out new products or services
- Community Kitchen - "Warming kitchen" with commercial grade equipment to transition the home chef or baker into a budding restaurateur

### **Replication**

With many downtowns facing an excess of large retail and commercial spaces, the move to small and independent is imperative. The modern urban consumer is seeking an experience while shopping for goods or services. Selden Market neatly meshes the opportunity of a vacant historic building with an economic driver for Norfolk's downtown. The market offers a solution through a public and private partnership that can be replicated in other communities, a key factor being financial resources from both sectors for startup costs.

### **Representation**

Selden Market was the outcome of hard work and collaboration between representatives from the business community, DNC staff and board members and the City of Norfolk. Seeking a partner to transform and activate the vacant Selden Arcade, the City of Norfolk supported Vibrant Spaces' retail incubator as an interim use for the building at a very low lease rate for two to three years. The City came to the table with \$500,000 for capital expenses onto which DNC added another \$180,000. DNC has a projected operating budget of \$160,000 annually.

The project was extremely collaborative through a very short window to build and launch. Grow, a local digital advertising agency owned by a board member, developed the program's brand and website. Another board member, a local real estate attorney, negotiated and prepared all tenant leases. The head of a regional merchant's association, also on the board, contributed in kind retail education classes valued at \$9,000. The philanthropic business community supported the program financially with donations of \$13,000 to the Downtown Norfolk Fund, a 501(c)(3).

### Sustainability

The business model for the market was developed to be self-funded with revenue from the tenants, sponsorship for programming and philanthropic donations. However, part of the dynamic nature of the retail incubator means a rotation of businesses as owners refine their business model and find more permanent locations. The growth of their businesses means more tax revenue and lower vacancy rates throughout the city and then opens up new incubator spaces in the market.

Selden Market continues to review applications for both future storefronts and pop-ups, recently announcing new tenants after two storefronts from the initial lineup moved on to bigger endeavors. In addition, the market is attracting outside tenants to the building with two new restaurants and a maker studio leasing anchor spaces on each end of the arcade. A regular schedule of special events, classes, workshops and speakers provides opportunities for one-of-a-kind experiences.

### Execution

Selden Market was launched on multiple digital platforms on May 31, 2017, unveiling the vision and revealing the details of the retail incubator. The video, with more than 60,000 views, outlined the process, assets and timeline. After more than eighteen months of planning and research, Downtown Norfolk Council embarked on:

- [www.seldenmarket.com](http://www.seldenmarket.com) website with information and applications
- Open house for the market and its 11 storefront spaces (100+ people attended)
- Photos and site plans for available spaces
- Application process (6 weeks)
- Market construction, renovation of Selden Arcade and community kitchen buildout (8 weeks)
- Slover Library and Hilton Norfolk The Main connectors construction (8 weeks)
- Tenant selection by the Vibrant Spaces Committee (4 weeks)
- Tenant and pop-up public announcements
- Tenant buildout (4 weeks)
- Opening week with ribbon cutting, happy hour and grand opening celebration

### Outcome

Selden Market launched twelve retail tenants and 20+ pop-up businesses. The six week call for entry drew 50 applications, more than half of which the selection committee were interested in pursuing. Since opening, the market has garnered more than 14,600,000 [media impressions](#) and more than \$224,000 in earned media value. In six months, the market has given 64 pop-ups a platform to test their retail model and hosted 35 events highlighting original and creative programming for visitors and consumers. A previously vacant 13,000 SF historic downtown property is now almost leased to capacity with a fresh and inspired makeover.

The Selden Market fits Downtown Norfolk Council's vision and mission and provides a resource not previously available to small retail businesses. The initiative develops small businesses to fill vacant street-level spaces in Downtown and elsewhere in Norfolk, a guiding principle from the original Vibrant Spaces program. Selden Market's success is measured by a very low storefront vacancy rate in the market, a high number of monthly pop-ups and ultimately, by how many businesses "graduate" to independent spaces.