

COVID-19 Recovery Strategies for Small Business Districts

July 28, 2020 | 2:00 PM - 3:30 PM



LSC

Presenters

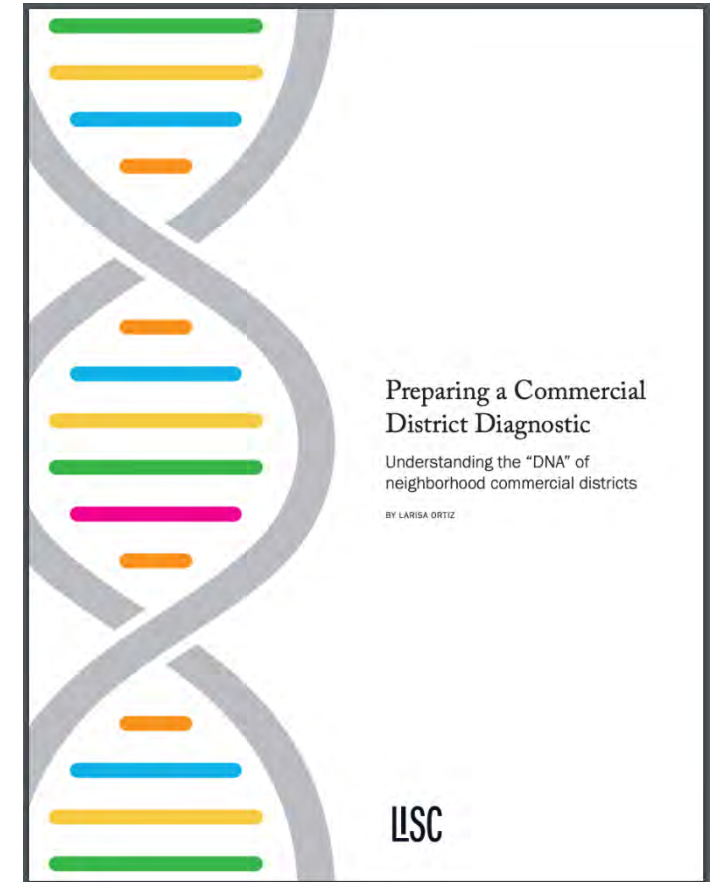
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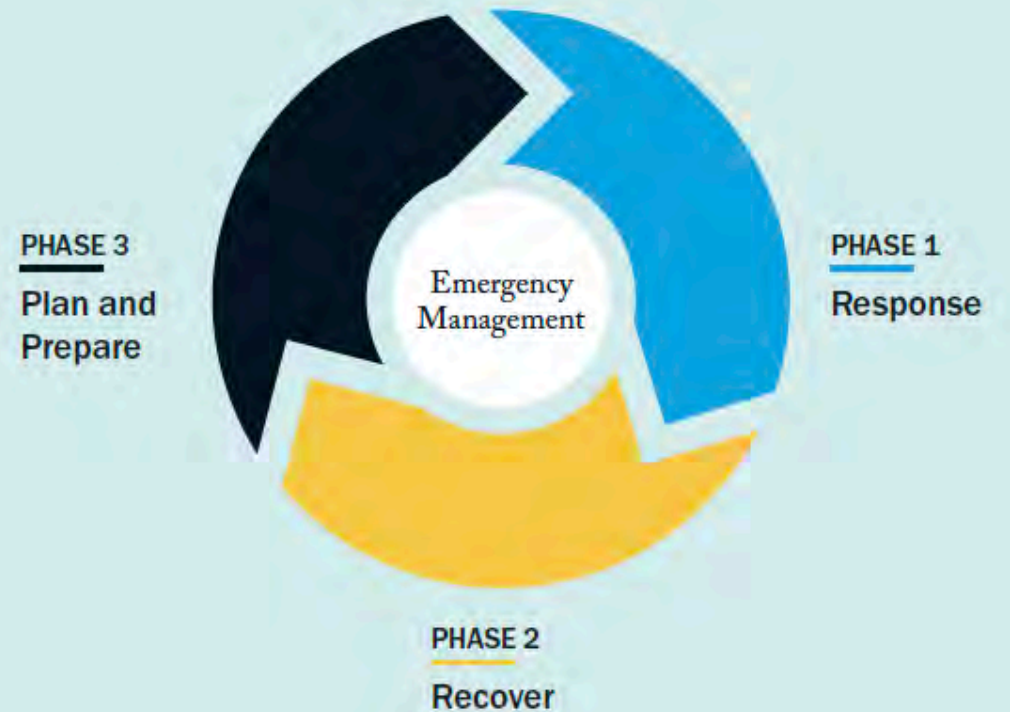


LISC Commercial District Recovery Guide



While all three phases of emergency management are critical to ensuring sustained recovery and rebuilding of our communities, we should be focused now on the actions that need to be undertaken following the occurrence of the pandemic.

Emergency Management Typically Covers Three Phases:



Agenda

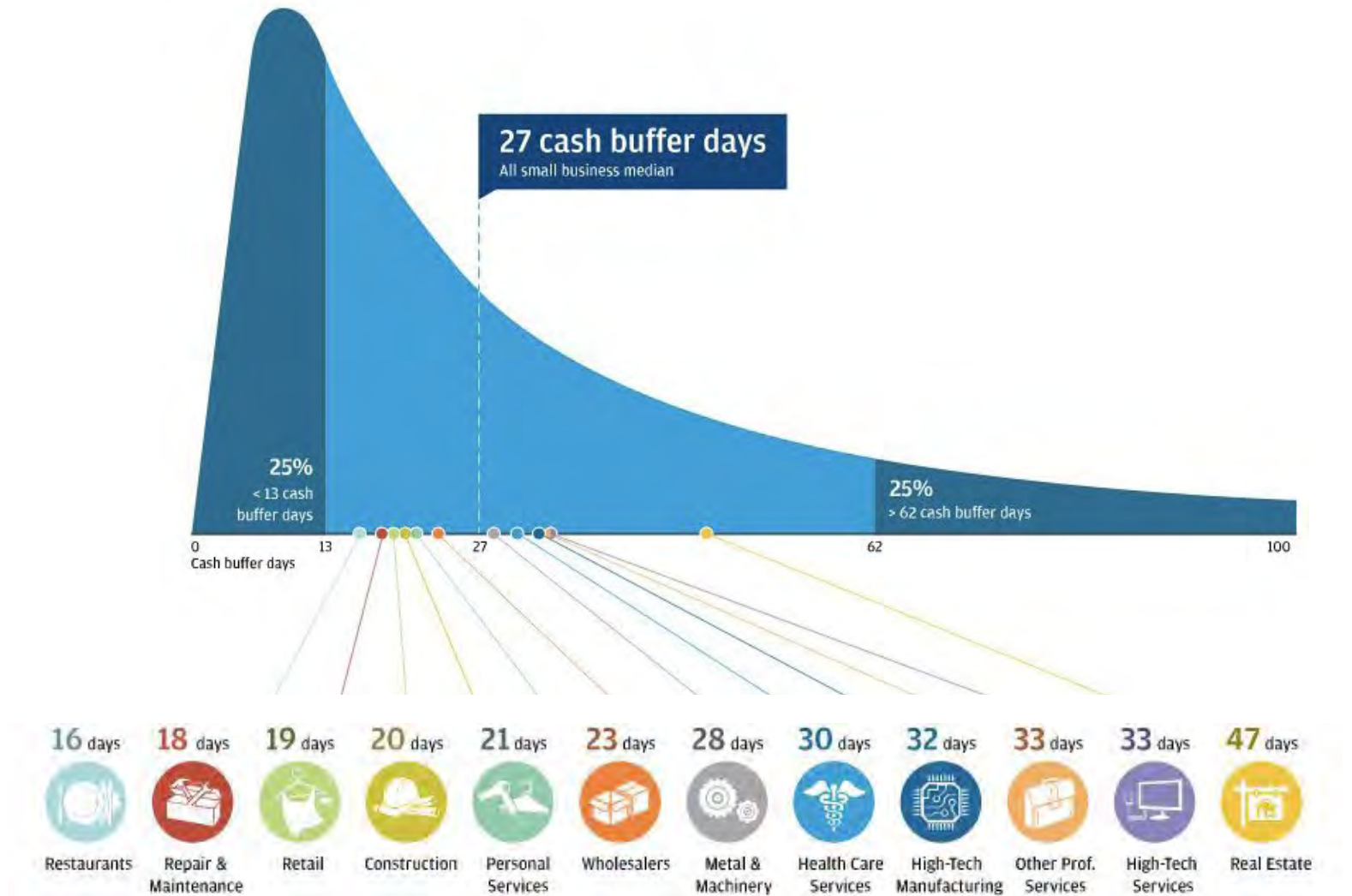
- ✓ Impact of COVID-19 on Small Businesses and Commercial Districts
- ✓ Building on the Work of Local Governments in Small Communities
- ✓ Phase 1: Response
- ✓ Phase 2: Recovery



Impact of COVID-19 on Small Businesses & Commercial Districts

The Truth About Small Business Cash Flow

About **50%** of all small businesses have a cash flow reserve of **27 days**. Minority-owned small businesses were approximately **twice as likely** to be classified as “at risk” or “distressed”.



Source: JP Morgan, 2016; Small Business Financial Health in Urban Communities. Farrell, Wheat, Grandet, 2019.

Audience Poll

What percentage of businesses on your Main St/commercial district closed temporarily as a result of COVID-19?

- 20% or fewer
- 21-30%
- 31-40%
- 41-50%
- More than 50%
- Not sure

Minority-owned businesses faced difficulties accessing emergency capital

Early surveys and reports suggest that 90% of small businesses of color have been excluded from SBA's Paycheck Protection Plan.



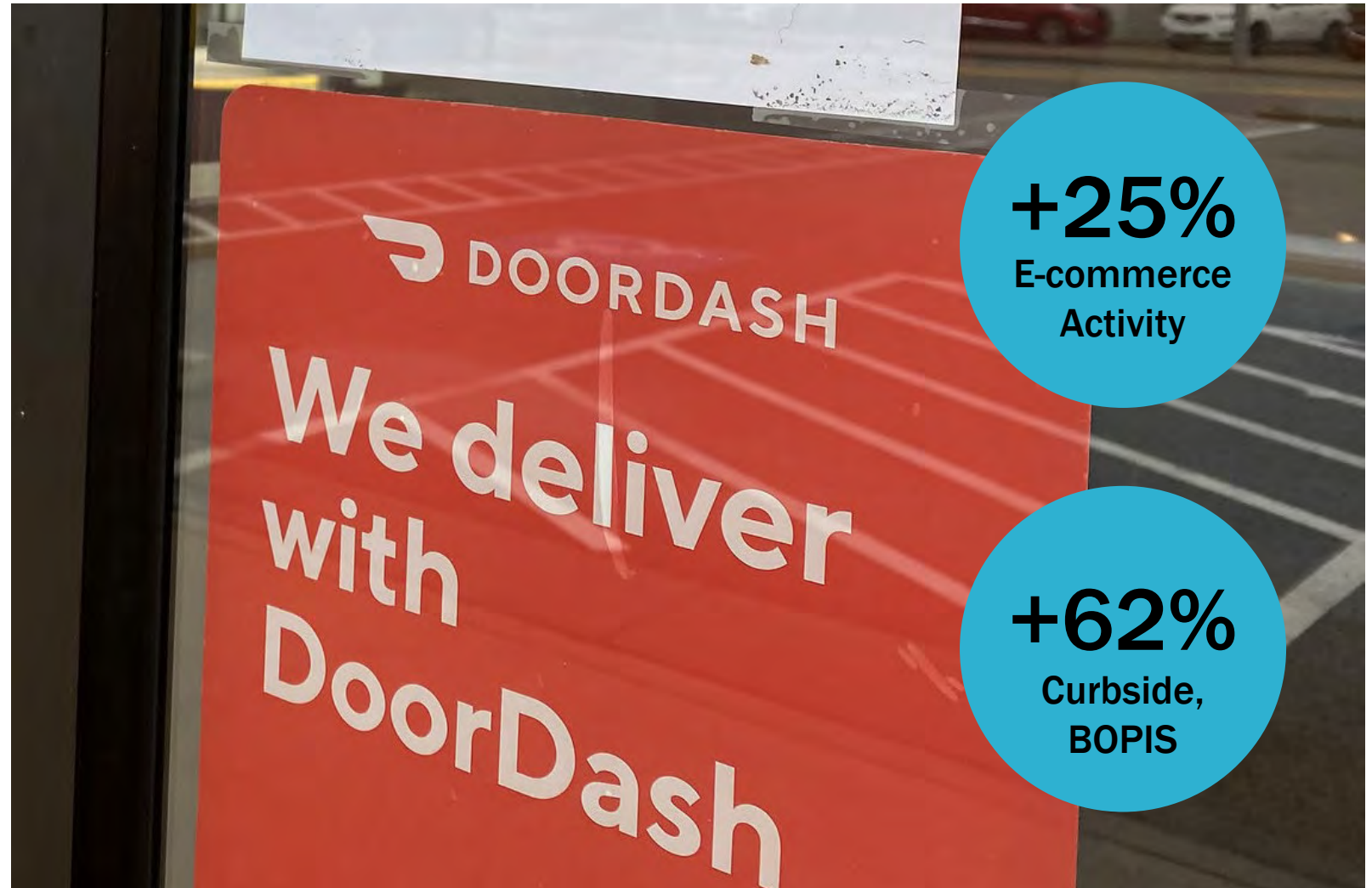
Audience Poll

What percentage of businesses in your community do you estimate to be Women/Minority-owned?

- 25% or fewer
- 26-50%
- 51-75%
- 76-100%
- Not sure

Changing Business Models

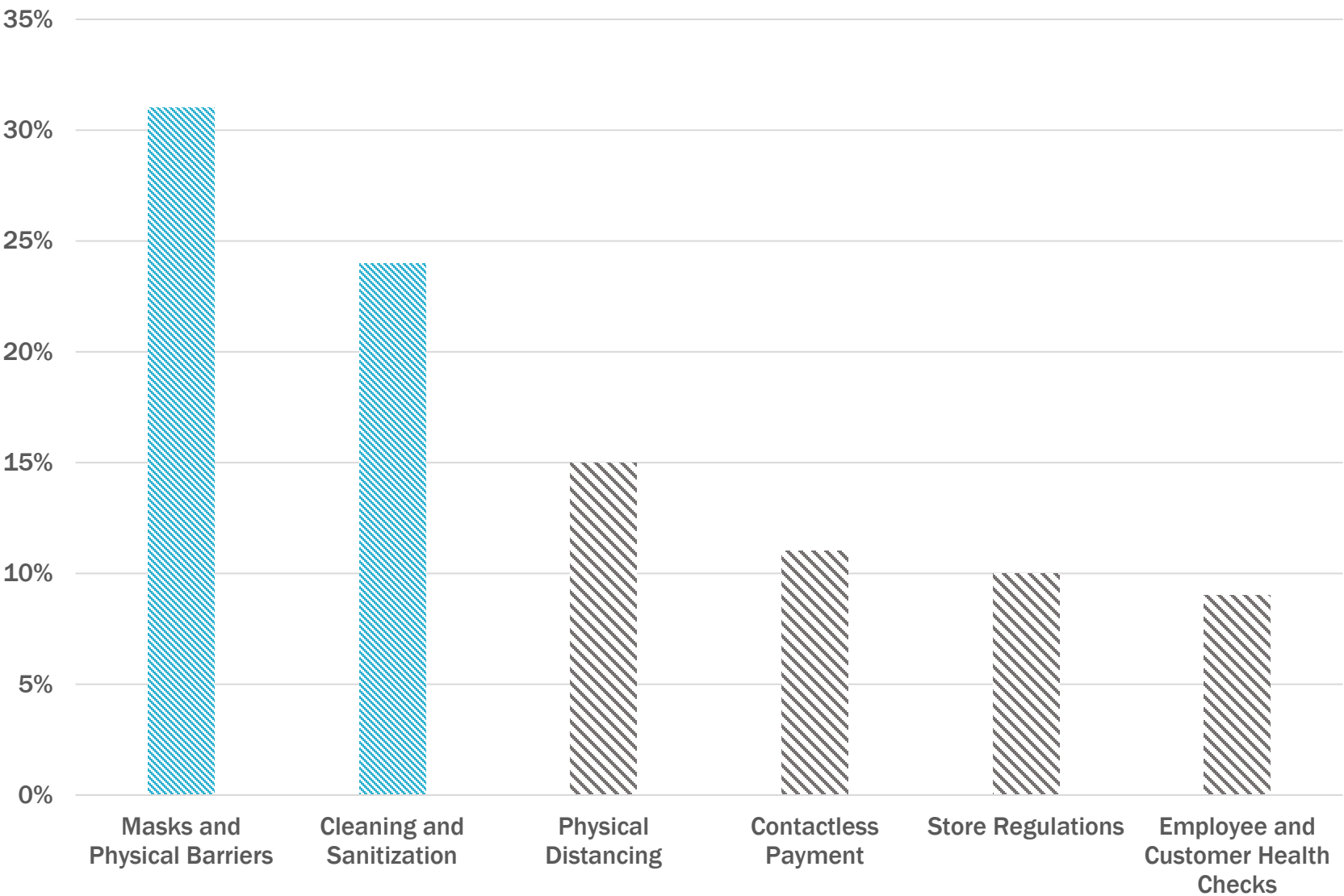
A survey from early April found that 63% of respondents did not have online sales capability. However, as a result of state-ordered stay-at-home measures, consumer behaviors have intensified toward online shopping.



Source: National Main Street Center, 2020; McKinsey, 2020

Heightened Health and Safety Expectations

The use of masks and physical barriers and cleaning are top priorities to consumers as they decide whether to shop in-store.

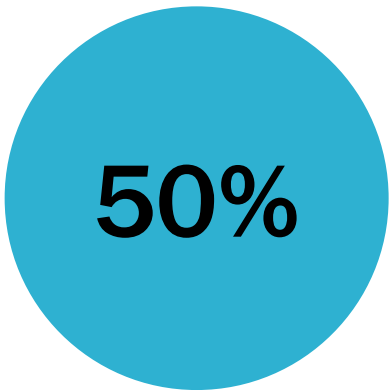


Source: McKinsey, 2020

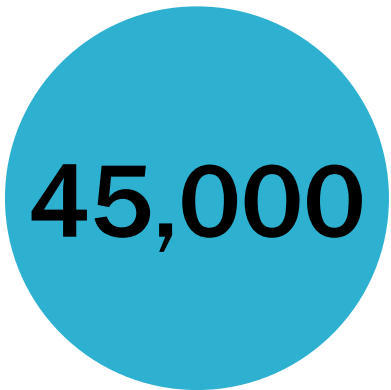
Building on the Work of Local Governments in Small Communities

In The Audience Today

Thank you for responding to the pre-session questionnaire.



Average Share of Essential Services on Main St



Median Town/ Village Population Size



Range of Organizational Budgets



Top Geographies



Place-based and community organizations are among the most critical partners in emergency management. They are often the face of resource allocation and technical assistance — the first place that residents and businesses turn to when they are in need.



Broad Street Market vendors maintaining access to fresh, healthy food throughout the COVID-19 pandemic receiving financial support in Harrisburg PA – total population 49,229.

Pre-COVID Underlying Issues In Small Towns/Rural Places

Lower Spending Power

86 percent of **persistent poverty counties** - poverty rates of 20% or more in 1990, 2000, and 2010 – are rural.

Source: Housing Assistance Council

Limited Access to Capital

Between 2012 and 2017, rural counties experienced **considerable declines in bank branches**. These affected rural counties tend to be composed of residents with fewer years of education and have a greater proportion of African American residents.

Source: Federal Reserve

Labor Pool Shortage

In 2016, nearly **1 in 5 rural residents was 65 or older** and between 2010 and 2016, the rural **population experienced a 0.4% decline**.

Source: US Census Bureau



**Limited
resources +
capacity**



**Staying nimble,
responsive +
working creatively**



Phase 1: Response

“

Outreach:

Serve as the conduit for information.
Lead and support outreach efforts,
Coordinate resource distribution
Ensure that your businesses have the
most up-to-date information.

OUTREACH



Establish a business contact list



Identify an accessible platform/tool to communicate with key stakeholders



Coordinate resource and information tracking with municipal agencies, economic development organizations, local chambers, merchants associations, and other local and regional leaders



Curate, publish, update, and crowdsource a list of relevant resources and information Data Collection



Work with local media outlets to share your district's story

OUTREACH



- ✓ **Establish a business contact list**
- ✓ **Identify an accessible platform/tool to communicate with key stakeholders**
- ✓ **Coordinate resource and information tracking with other local and regional leaders**
- ✓ **Curate, publish, update, and crowdsource a list of relevant resources and information**

However, these tools require access to the Internet via **smartphones and/or computers**. For districts with stakeholders that skew older, these options may not be viable. Instead, **schedule daily phone calls** and **in-person check-ins** if it's safe to access your district.



WhatsApp



FACEBOOK



TextedlyTM

Downtown Kenosha
Business Owners
Group

Private group

Shortcuts

APA NYC- Urban De... 2



+ Join Group

... More

Join this group to see the discussion, post and comment.

Activity

132

Members

Best Practice:

DOWNTOWN KENOSHA INC. (KENOSHA, WI)

A Facebook Private Group was set up as a resource center for downtown businesses during COVID-19. Group Membership is exclusive to downtown street-level restaurants and retailers.

FRISCO DOWNTOWN MERCHANTS ASSOCIATION (FRISCO, TX)

The Merchants Association established a daily digital meeting for businesses via video conferencing app, Zoom, to discuss any issues and share resources quickly.



Audience Poll + Chat

What is the main method in which you have been conducting outreach to stakeholders?

- In-person
- By phone
- Online
- No outreach conducted

Share the types of apps/platforms you are using in the chat!



OUTREACH



Establish a business contact list



Identify an accessible platform/tool to communicate with key stakeholders



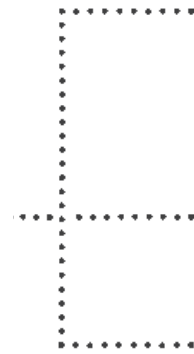
Coordinate resource and information tracking with other local and regional leaders



Curate, publish, update, and crowdsource a list of relevant resources and information



Work with local media outlets to share your district's story



Federal, State, County and Municipal Grants and Technical Assistance

Safety and Hygiene Guidelines by Health Officials

Trade Association resources and guides



National Restaurant Association



U.S. Chamber of Commerce



The Food Industry Association



Food & Beverage Issue Alliance



American Barber Association



Professional Beauty Association

OUTREACH



Work with local media outlets to share the district's story and market the reopening of your district

The News&Observer

Plexiglas and fewer tables: As NC restaurants weigh reopening, here's what to expect.



Angus Barn employee Rebecca Layton arranges an antique display in one of the dining rooms on Tuesday, May 19, 2020 in Raleigh, N.C. Owner Van Eure is preparing to open her dining rooms in anticipation of Gov. Roy Cooper lifting his coronavirus restrictions. Robert Willett RWILLETT@NEWSOBSERVER.COM

The Palm Beach Post
REAL NEWS STARTS HERE

Coronavirus Florida: What businesses reopened today in Palm Beach



**Customers just happy to be
out on 1st day of reopening**

“

Data Collection:

Accurately and continually assess on-the-ground conditions.

Tailor assistance and recovery programs based on good information and data.

DATA COLLECTION



✓ **Build partnerships with other organizations to conduct surveys and assess changes in the district**

✓ **Use existing communications tools to market surveys widely**

✓ **Review other available data sources to track changes in the state, city, and district implementation**



Google Forms

- ✓ Use a free survey tool for smaller groups
- ✓ Keep the survey short (<10 min)
- ✓ Translate the survey across common languages in your community
- ✓ Ask for basic business details, finances, operations, workforce, and customer interaction/ engagement

What to track and monitor?

Basic Details

- Name of business
- Type of business
- Contact person/details
- Location of business
- Property – own/lease, size of storefront
- Length of time in business

Business Finances + Operations

- Current status of business – open / closed / only take-out and delivery
- Any adaptations in business model
- Impact on company finances/ loss in revenue
- Amount of cash reserve
- Applications to relief funding

Workforce

- Impact on workforce – furlough, layoff

Customer Confidence

- Perception of safety returning to stores
- Anticipated changes in spending habits

Audience Poll + Chat

Have you been engaged
in data collection?

- Yes
- No
- In Progress

Share the types of
metrics you are tracking
in the chat!



Phase 2: Recovery

IMPLEMENTATION

1

BUSINESS ENVIRONMENT

- ✓ **Connect tenants to grants and resources**
- ✓ **Provide access to capital and technical assistance to adapt commercial spaces**

2

RETAIL SALES + MARKETING

- ✓ **Raise awareness of businesses that are open**
- ✓ **Support businesses that are creating new avenues for sales**

3

PHYSICAL ENVIRONMENT

- ✓ **Increase cleaning and sanitization of the district**
- ✓ **Maintain public safety**
- ✓ **Create social distancing wayfinding/ signage**
- ✓ **Adapt the public realm for social distancing**

Clean and Sanitize

In a recent sentiment study, consumers reported that the number one criteria for choosing a restaurant or dining establishment right now is safety and sanitation.

Instead of cleaning/ disinfecting behind the scenes, make cleaning protocols much more evident to guests – engage in “sanitation theater.”



Source: Dataessentials and the National Restaurant Association 2020

Clean and Sanitize

Educate businesses on new CDC, FDA and local DOH guidelines for workplace health and safety and/or help locally source and purchase store supplies.



PPE + Temperature Taking Equipment



Self-service recycling/ bussing stations

Adapt the public realm

Encourage social distancing and overcome limited store occupancy restrictions with public realm activations.



**Best Practice:
TEMPORARY
OUTDOOR
COMMERCIAL ACTIVITY
PERMIT (VIENNA, VA)**

Adapt the public realm

Use any existing permit systems/
protocols

Limit application fees

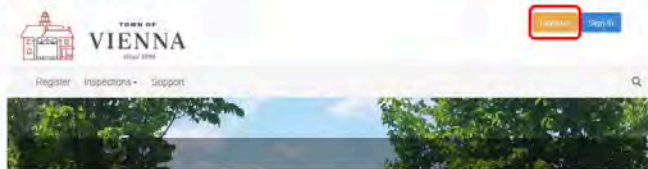
Provide clear instructions/ How-To
guide on permit application process

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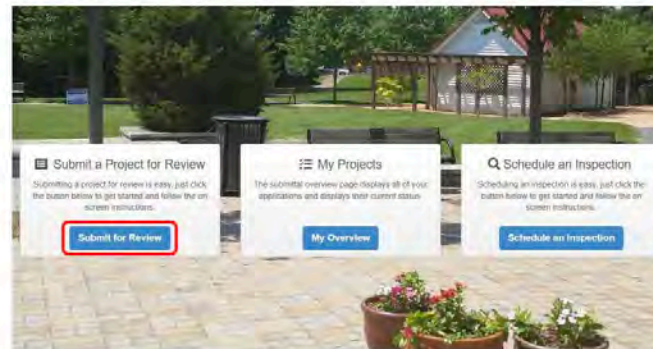
How to Guide: Applying for a Temporary Outdoor Commercial Activity Permit

Follow the steps below to apply for a temporary outdoor commercial activity permit, in accordance with the emergency ordinance passed by Town Council on June 1, 2020. Please contact staff at outdoor.dining@viennava.gov if you have any questions.

1. Visit <https://vienna.idtplans.com/secure>.
2. Create an account.



3. Submit for review and choose "Temporary Outdoor Commercial Activity Permit" under the Temporary Permit category, then enter the name of your business.



**Best Practice:
TEMPORARY
OUTDOOR
COMMERCIAL ACTIVITY
PERMIT (VIENNA, VA)**



Adapt the public realm

Other low-cost, tactical strategies include:

- Expanding sidewalks
- Assign Plaza Seating to Adjacent Restaurants
- Creating dedicated zones for delivery vehicles/ curbside pick-up



Get creative with social distancing wayfinding/ signage

From stores to sidewalks and public spaces

Direct flow/ movement of customers



Get creative with wayfinding/ signage

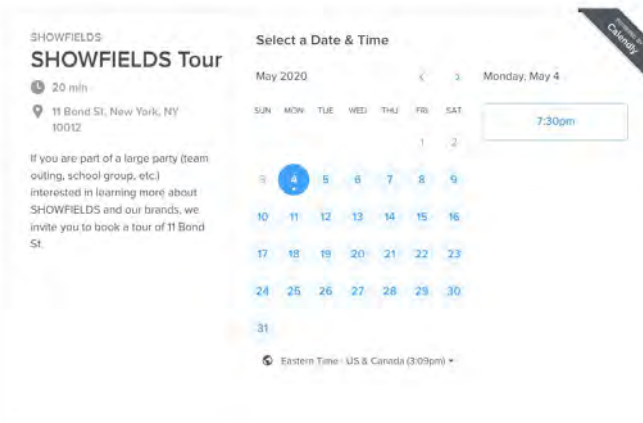
Announce policies on sanitation/ social distancing



Support store operational adjustments

Getting digital

From online store reservation systems to mobile pre-order and contactless payments



Support store operational adjustments

Redesigning storefronts

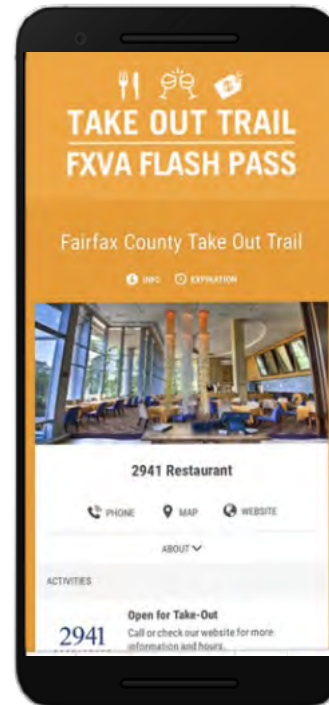
From installing touchless fixtures, sanitizing stations, and sneeze guards to window/door replacements and easily maintained furnishings



Support businesses that want to pivot online

Provide technical assistance, funding, and support marketing efforts

From providing grants for digital innovation to organizing virtual pop-up markets and developing customer loyalty programs



**Best Practice:
FAIRFAX COUNTY
TAKE-OUT TRAIL
(Fairfax, VA)**

Audience Poll + Chat

What is the main obstacle you are facing/anticipate facing in implementing strategies discussed today?

- Lack of expertise
- Limited staff capacity
- Insufficient funding
- Other

Share any others with us in the chat!



Looking Ahead

Investing in Great Vibrant Streets

According to recent surveys, more than a quarter of U.S. consumers fear shopping in enclosed malls for at least the next six months due to the pandemic - presenting great opportunity for open air shopping venues such as Main Streets.

Source: Morning Consult, July 2020.



- Continue to invest in the public realm – sidewalks, parklets
- Encourage mix of uses on the ground floor through flexible zoning and regulatory processes

Leveraging Remote Work Policies

Seasonally-adjusted demand for housing was 25% higher than it was pre-pandemic in Jan-Feb 2020, with cross country movers or those seeking homes outside metropolitan cities increasing in size.

Source: RedFin



- Improve broadband and network connectivity
- Plan comprehensively as a region of smaller communities. This includes thinking regionally about housing, retail, office, and transportation to increase overall economic opportunity

Near-Term Growth of Domestic Tourism

Long haul carriers are struggling and international inbound spending in United States is expected to fall 75%.



Source: Travel Forecast. U.S. Travel Association. June 2020

- Promote and market towns to regional/ national visitors (e.g. outdoor recreation assets in rural areas and local small businesses and major events)
- Incentivize reopening of tourism assets and tourism-supporting businesses

Discussion/ Question & Answer

Audience Chat

What would you like to learn more about in the follow-up session?

Share with us in the chat!

Examples:

- How to collect and analyze relevant data to make the case for funding
- Marketing and branding for reopening
- Supporting business pivot to omni-channel sales
- Reconfiguring retail/ restaurant spaces



Resources

LISC Commercial Corridor Resource Hub

- Commercial District Recovery Guide
- Commercial DNA

Streetsense COVID-19 Resource Hub

- Pandemic Relaunch Toolkit for Restaurants + Bars

National Retail Federation Operation Open Doors

- Operation Open Doors Checklist

National Restaurant Association COVID-19 Reopening Guidance

Google's Navigating your retail business through COVID-19

COVID-19 Recovery Strategies for Small Business Districts

Thank You for Joining Us!



LSC