SMALL BUSINESS & ENTREPRENEURSHIP

MARCH 2015

STRATEGIC PLAN FOR GROWTH
Dear business leaders & entrepreneurs

Baltimore’s small businesses are the cornerstone of our City’s economy. The success of our small businesses is essential to creating jobs. When we invest in small businesses, dollars remain within our communities, strengthening our neighborhoods.

I am focused on ways to support Baltimore’s small, minority and local businesses. My administration established the first micro-revolving loan fund, BaltimoreMICRO, to help small businesses access the working capital needed to grow. We created a road map for economic inclusion with the release of A New Day, A Better Way, outlining recommendations to build the capacity of minority and women-owned businesses. We created the first Office of Multicultural and Immigrant Affairs, one of the 32 recommendations from The Role of Immigrants in Growing Baltimore, a report which identifies opportunities to maximize social and economic opportunity for Baltimore’s increasing immigrant community. As we continue to improve Baltimore City’s business climate, we will continue to invest in resources to assist small businesses and entrepreneurs.

To ensure that small businesses and entrepreneurs receive the resources and support they need, I am proud to share this Strategic Plan for Small Business and Entrepreneurship Growth. Building upon the recommendations of the City’s recently released Comprehensive Economic Development Strategy (CEDS) entitled Seizing the Momentum, Building a Brighter Future, this plan identifies new resources and services for small businesses at any stage of development. This plan highlights reducing and eliminating burdensome fees and focuses on approaches to cultivate the innovation economy, promote economic inclusion and celebrate entrepreneurship.

I am fully committed to making Baltimore City a place where small businesses are valued and can thrive as we work to achieve our goal of growing Baltimore City by 10,000 families.

“I want Baltimore to be an entrepreneurial mecca. I want to plant the seeds and clear a path for a new generation.”

Stephanie Rawlings-Blake, Mayor
City of Baltimore
Vision & goals

The City of Baltimore is committed to creating an environment that promotes the establishment, growth, and long-term success of small business.

According to the U.S. Businesses Database, more than 7,000 new Baltimore businesses were established in 2014 – double the creation rate of Boston or Washington, DC. This fact demonstrates the City’s recent success in promoting entrepreneurship. However, there is significant room for improvement and growth.

Baltimore City’s economy depends on entrepreneurs and small businesses. In 2014, 95% of businesses in Baltimore City had fewer than 500 employees. Small businesses are located across the City’s more than 200 neighborhoods, creating community value and providing access to services and opportunities for employment.

The Baltimore Development Corporation (BDC) recently released its Comprehensive Economic Development Strategy (CEDS) report, Seizing the Momentum, Building a Brighter Future, which outlines the City’s economic development plan. The plan identifies improving resources for small businesses and entrepreneurs as a key economic development strategy. In order to make Baltimore City more business friendly and attract new startups, small businesses and entrepreneurs, the Strategic Plan for Small Business and Entrepreneurship Growth focuses on four key goals:

### Four Key Goals

- Increase Resources for Small Businesses and Entrepreneurs
- Cultivate the Innovation Economy
- Promote an Inclusive Economy
- Make Baltimore More Business-Friendly
Goal:
INCREASE RESOURCES FOR SMALL BUSINESSES AND ENTREPRENEURS.

STRATEGY #1

Expand the Small Business Resource Center’s capacity by enhancing programs and services.

The Small Business Resource Center (SBRC) is a quasi-public non-profit organization incorporated for the purposes of supporting an environment that attracts and retains small and medium businesses in Baltimore City. The SBRC is a division of the Baltimore Development Corporation and has been in operation since 2002. BDC is the sole member of the corporation and is responsible for SBRC’s $220,000 annual budget.

The SBRC offers technical assistance and guidance to small businesses and entrepreneurs through workshops, trainings, one-on-one counseling, and access to capital and business opportunities. These activities support the development of small businesses and entrepreneurs who improve Baltimore City’s economic health by expanding the City’s tax base and creating jobs.

The SBRC produces over 3,500 points of contact with clients per year, yet faces enormous constraints in financial, human, and technological resources. BDC’s chief financial officer and the SBRC executive director are currently the only two members of the board of directors. SBRC also employs one part-time and two full-time staff, including the executive director. Additionally, the SBRC’s most recent long-term plan was developed 12 years ago when the SBRC was established. Since the creation of the SBRC’s long term-plan, there have been significant changes in technology and the business community has evolved. To better serve the needs of business owners, the SBRC must evolve as well.

Creating a sustained and nurturing environment that cultivates the entrepreneurial spirit is key to addressing the needs of SBRC’s customers. As Baltimore turns its focus to strengthening the City’s small business environment, it is important that the SBRC fulfill its role as the City’s main resource for small businesses. The SBRC must be equipped with the appropriate technical and human capital to connect customers to training, resources and to the stakeholder relationships needed for success.

Increasing the investment in the SBRC will create more opportunities for entrepreneurs to leverage technology, receive information on demand, and access a robust portfolio of services. The ability to address current needs in a timely and comprehensive manner will better position business owners for long-term success.

Increasing the investment in the SBRC also means providing a greater set of resources for New Americans, the City’s fastest growing population. The recent report, The Role of Immigrants in Growing Baltimore, released by the Mayor’s Task Force on New Americans, highlights the significant linguistic and cultural barriers New Americans face when starting a business. Despite these challenges, according to the 2007 Census Bureau Survey of Business Owners, immigrants have twice the rate of business ownership than native born populations within the Baltimore Metropolitan Statistical Area (MSA). New Americans employed approximately 6,600 individuals and generated $1.3 billion in sales, an average of $383,000 per business. Investing in resources for New American business owners is essential as these businesses play a crucial role in Baltimore’s economy.
The City of Baltimore will build upon the strength of the SBRC and improve its capacity, programming and services by:

1.A Increase Staffing

- Hiring a full-time, bilingual staff member (English and Spanish) capable of developing, managing, and evaluating non-profit programming. This staff person will also deliver one-on-one business counseling, group facilitation and training.

- Hiring a full-time professional staff member capable of developing and managing the SBRC’s marketing, visual media, social media, graphic design and web development.

- Funding two to four stipend graduate interns from schools of business, law, policy, education, and/or social work to support the development, implementation, and evaluation of programs/projects, and incorporate intensive summer associate programs and year-long practicums.

1.B Increase Technology

- Purchasing new hardware for staff work stations, video and tele-conferencing, client registration, counseling, group instruction, media production, and telephonic interpretation.

- Purchasing new software to run productivity and creative suites, manage data and track projects.

1.C Expand Outreach & Educational Programs

- Extending information sessions, which will provide technical assistance, counseling, and training directly to Main Street neighborhoods through the A Day in a Main Street series in conjunction with the BDC Main Street and Retail Business Manager.

- Hosting regular focus and feedback groups with Main Street, Retail Business District License (RBDL) managers and business owners to assess and evaluate the implementation of new policies.

- Utilizing the talent of Baltimore’s Anchor Institution business schools to create a Small Business Ambassador Program, which would identify business students to work with Main Street programs and assist New American entrepreneurs with connecting to City services.

- Ensuring that information and outreach is sensitive to the cultural and language needs of aspiring and existing immigrant entrepreneurs.

- Developing a plan for sustained dialogue and engagement with New American business owners to remain abreast of the opportunities and challenges faced.

- Expanding and supporting the Baltimore MICRO Revolving Loan Fund, the City’s first micro-lending program for small businesses.
1.D Increase Accountability by Reorganizing SBRC Governance

- Developing a long-term, comprehensive strategic plan for the SBRC with a focus on resource development.
- Refocusing the SBRC executive director position towards financial management and strategic planning.
- Creating a Mayor’s Small Business Advisory Committee comprised of business owners to meet quarterly to advise on issues related to small business in Baltimore and policy decisions of the board.

1.E Explore Relocation

- Exploring relocation of the SBRC from its current location to a more accessible location at the expiration of its lease term in 2016.

Above: The SBRC is currently located at the former Eastern High School, located on Johns Hopkins University’s campus, along 33rd Street in Waverly.

STRATEGY #2

Develop a coordinated entrepreneurship network using the US SourceLink model.

Establishing a more impactful SBRC at the center of a coordinated small business network will help Baltimore’s small businesses to better access capital, technical assistance, advocacy, and understanding of government processes. A challenge for many entrepreneurs is navigating the business environment and accessing resources and assistance at various stages of business development. Today’s entrepreneurs require traditional means of assistance, easy access to information and support without constraints on time and location.

The City will work in partnership with US SourceLink, a national non-profit organization specializing in the analysis and development of entrepreneurial ecosystems. The US SourceLink model will make resources more visible and accessible to the business community online. Through this partnership, US SourceLink and the SBRC will create a broad resource network which will include a redesigned web platform, an online resource database, an online comprehensive calendar, and program evaluation instruments.

The City of Baltimore will develop a coordinated entrepreneurship network using the US SourceLink model by:
2.A Establish a new modern web presence

- Updating the SBRC website with the Webplate Now!® platform, making it easier for search engines and entrepreneurs, ranging from startup to main street, to find the resources and information needed.

2.B Implement an Outline Resource Navigation Tool

- Implementing the Resource Navigator® online database system, which will catalogue Baltimore’s business development organizations and resources into an easy-to-use resource directory, and serve as a One-Stop-Shop for small, minority and local businesses to find information needed to support business development.

- Utilizing the Resource Navigator® online database system to help entrepreneurs self-identify based upon business stage and connect directly to needed resources.

2.C Track and measure program success online

- Implementing the BizTrakker® client management system to track, survey, and demonstrate the success of programs.

2.D Create a Universal Online Event Calendar

- Creating a City-wide comprehensive business events calendar which aggregates events and allows entrepreneurs to filter events, workshops and trainings by subject.

Above: In today’s world, entrepreneurs are increasingly using online information to analyze opportunities and search for resources.
Goal:

CULTIVATE THE INNOVATION ECONOMY.

STRATEGY #3

Bolster the Innovation Economy profile.

Home to multiple world-class research institutions and a diverse business incubator and technology sector, Baltimore City is focused on delivering the resources and environment necessary for innovation to thrive. The Emerging Technology Center (ETC), a division of BDC, has grown to include two campuses in Baltimore City. Opened in 2013, the new ETC Haven Street location is focused on its mission to help early-stage companies grow.

The ETC offers three unique programs for entrepreneurs:

- Beehive Baltimore – a co-working space.
- Incubation – traditional business incubator services.
- AccelerateBaltimore – a 13-week program for up to six startups with $25,000 in seed funding.

In addition to the ETC’s two locations, Baltimore’s innovation economy has spurred several new incubator and accelerator locations. There are currently 12 throughout the City at both research and medical institutions and in the private and non-profit sectors. Incubators such as Betamore, DreamIt, and Canton Health Ventures provide collaborative environments where like-minded companies can engage with one another, create partnerships and connections, and be linked directly to resources to support their idea or business. Incubators and accelerators also provide the opportunities for early stage companies and entrepreneurs to work closely with mentors, investors, and business leaders.

Anchor Institution accelerator programs, like Johns Hopkins University’s Fastfoward, build upon the intellectual capital of Hopkins’ students and provides support as they create businesses, commercialize products and bring them to market. The University of Maryland BioPark, similarly, provides support to accelerate biotechnology commercialization and economic development in the surrounding community and throughout the region.

Popular Mechanics Magazine recently named Baltimore as the 5th best city for start-up businesses. With Baltimore’s unique assets, like its many incubators and accelerators, its strong connection with Anchor Institution research and its entrepreneurial talent, the City is well positioned to claim its identity as a hub for innovation.

The City of Baltimore will continue to support the needs of this sector and bolster the innovation economy by:
3.A Encourage collaboration within the Innovation Section

- Hosting quarterly innovation gatherings with leaders of the City’s incubators, accelerators, and anchor institutions to identify ways to build upon the assets of the sector.

3.B Market Baltimore as a City of Innovation

- Collectively marketing Baltimore City, locally and nationally, as an Innovation City by highlighting positive stories, businesses, and new technologies that are created in Baltimore City in coordination with Downtown Partnership of Baltimore, the Economic Alliance of Greater Baltimore, the Greater Baltimore Committee (GBC) and other stakeholders.

- Identifying neighborhoods providing assets most desired by the technology and innovation community.

3.C Fund Technology & Start-Up Ventures

- Creating an Innovation Fund to support technology upgrades and the research start-up ecosystem.

Photo by: Christopher Myers

Juxtapia is one of dozens of tech startup companies located at the ETC. Juxtapia is a biomedical and information technology (BIO-IT) company and an innovative leader in the design and development of human performance products.
Goal:

PROMOTE AN INCLUSIVE ECONOMY.

Advance economic inclusion efforts.

Baltimore is unique in that it is a minority-majority city. Of the City’s approximately 622,000 residents, over 400,000 are minorities. However, there continues to be an under-representation of minority and women-owned business enterprise (MWBE) firms in Baltimore’s economy. In 2012, the Mayor’s Council on Minority and Women-Owned Business Enterprises, comprised of local business leaders and nationally-renowned experts, was formed to examine best practices and suggest improvements to the City’s MWBE program, creating a platform for the program’s future direction. In 2013, the Mayor’s Council on MWBE released its report, A New Day, A Better Way. The report highlighted the shortcomings of the existing MWBE program and recommended a new agenda for the City to accelerate and strengthen the rebuilding of Baltimore’s local economy through economic inclusion.

Results to date from A New Day, A Better Way include:

- Passage of three new laws aimed to improve the City’s M/WBE program:
  - M/WBE primes may be counted towards 50% of the M/WBE goals placed on projects;
  - Restrictions removed that now allows goals to be set regardless of the number of M/WBEs in the certification directory.
  - The Mayor’s Office of Minority and Woman-owned Business Development (MWBD) must be engaged to find solutions before a prime is allowed to replace its subcontractor.
- The first city-wide sponsored Mentor / Protégé program with 15 companies recruited to participate. Included in this unique model is Lift as you Climb – minority firms mentoring other minority firms.
- To improve processes and for transparency, the City’s waiver process was defined and published.
- Received a $900,000 competitive grant from the U.S. Department of Commerce’s Minority Business Development Agency (MBDA) to open a MBDA Business Center in Baltimore City.

In addition to supporting MWBEs, Baltimore recognizes the unique qualities immigrants bring to the City. As reflected in The Role of Immigrants in Growing Baltimore, 21% of the City’s businesses are owned by immigrants, contributing sales of approximately $1.3 billion to the local economy and helping to drive commerce within the City’s communities. In order to continue to grow economically and socially, it is important to identify the barriers and opportunities for this valuable and quickly growing segment of Baltimore’s population.
4.A Advance economic inclusion efforts

- Supporting the New Americans Task force to implement recommendations of *The Role of Immigrants in Growing Baltimore*.

- Supporting the Mayor’s Coalition on Supplier Diversity to implement the recommendations of *A New Day, A Better Way*, a report released by the Minority and Women’s Business Development Office creating an action agenda to support minority and women owned businesses.

- Integrating an online resource database for MWBE’s into the Webplate Now!® platform in partnership with US SourceLink.

- Promoting Supplier Diversity Week, which provides education, relationship building and business opportunities for minority and women owned businesses.

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Goal:

**MAKE BALTIMORE MORE BUSINESS-FRIENDLY.**

**STRATEGY #5**

Streamline Minor Privilege policies and procedures.

Vibrant, visually appealing, active commercial corridors are a fundamental aspect of engaging and attracting patrons to utilize small and local businesses. Signage, lighting, and bike racks, which require Minor Privilege permits, are only a few examples of ways small businesses promote an inviting establishment to attract customers. A Minor Privilege permit allows business owners to place private items in the public right away. This permit grants use for encroachments that are minor in nature and do not require a formal Franchise or a Temporary Use Permit. As the City balances the need to manage property that occupies public space, it recognizes the importance of supporting small business owners as they make crucial investments to increase business activity. On January 21, 2015, the City’s Board of Estimates approved changes to the Minor Privilege fee schedule, reducing and eliminating fees that will result in thousands of dollars’ worth of savings for small business owners across the City.

The City committed to improving Minor Privilege policies and procedures by:

Left: The Mayor’s Task Force released its recommendations to attract and retain New Americans in September 2014.
5.A Eliminating and reducing Minor Privilege fees

- Transitioning “big ticket” items such as signs, steps, and Oriel windows from an annual payment fee model to a one-time application or Minor Privilege perpetual lease agreement for new permit holders and eliminating the assessment for existing permit holders after 2016.

- Eliminating the burdensome and outdated annual fee model and reducing fees for ADA accessible ramps and bike racks to a one time, nominal application fee.

- Supporting investment in public safety by continuing non-assessment of security cameras, roll top doors, window covers and satellite dishes as well as eliminating annual fees for lamp and spot reflectors on commercial building façades.

5.B Clarifying the Minor Privilege fee schedule

- Clarifying the fee schedule by including an explanation of zones, eliminating outdated and unnecessary items from the fee schedule, and providing visual representations of key and potentially confusing Minor Privilege items.

- Creating a simplified zoning map which includes clearly defined A, B, & C zones areas, and an interactive Minor Privilege map to identify which properties presently have Minor Privilege permits on the Department of General Services (DGS) website.

5.C Enhancing informational materials and educational outreach

- Updating written guidance material including a FAQ guidebook on the Downtown Partnership of Baltimore website and translating the fee schedule into Spanish.

- Providing Minor Privilege 101 information sessions held by DGS in conjunction with the SBRC at the A Day in a Main Street series.

STRATEGY #6

Analyze the effectiveness of the Retail Business District License Program.

In response to the development of suburban malls, the Retail Business District License (RBDL) program was established by ordinance in 1982. The growth of suburban shopping centers threatened many neighborhood retail business districts and retail sales in neighborhood shopping declined. With the limited capacity of voluntary merchant organizations to fundraise, the intent of the RBDL program is to provide funding to enable businesses within the boundaries to join together to promote their businesses. Businesses within RBDL districts are assessed an annual fee based upon the number of square feet of licensable space. The City disburse 97% of the fees directly to the business associations on a quarterly basis.
Fees are used by business associations to promote and market neighborhood businesses. Promotion and marketing include supplementing City services and activities such as festivals, outdoor events, and beautification efforts. Despite the positive intent of the RBDL Program, districts have experienced challenges with administrative oversight, managing budgets, establishing reporting systems, and leveraging funds to increase investment.

There are ten business districts located in diverse communities across the City with an array of unique offerings that can meet the needs of local neighborhoods. The ten districts include:

1) Market Center  
2) Highlandtown  
3) Govanstowne  
4) Monument Street  
5) Federal Hill  
6) Pennsylvania Ave / Lafayette Market  
7) Hamilton  
8) Pimlico  
9) Oldtown  
10) Mount Washington  

Highlandtown, Monument, Federal Hill, Pennsylvania Avenue and Hamilton also overlap with five of the City’s nine Main Street neighborhoods. Baltimore’s Main Streets program provides customized support and public resources to each district in order to attract new businesses and new jobs to the neighborhood. However, unlike RBDL districts, each Main Street supports a full time manager responsible for programmatic oversight.

RBDL districts have been challenged due to lack of infrastructure. An in-depth analysis of existing processes is needed to further assess RBDL districts and the benefits to the small business community.

The City of Baltimore will assess the effectiveness of Retail Business License Districts by:

6.A. Conduct Analysis of RBDL Districts

- Coordinating a working group led by BDC and the Mayor’s Office of Economic and Neighborhood Development to study the effectiveness of the RBDL districts and present a report of findings by the end of 2015.
- Reviewing RBDL district budgets, strategic plans, programming and marketing to determine the effectiveness of each program.
- Soliciting feedback from RBDL district businesses, community leaders and stakeholders regarding the programs’ benefits and challenges.
- Making recommendations regarding requirements, management, reporting and overall necessity of RBDL districts.
Celebrate small, minority & women-owned and local businesses and entrepreneurs.

It is important to celebrate and encourage the entrepreneurial spirit and creativity that is the catalyst for generating businesses across the City. Small, minority and local businesses throughout Baltimore are contributing to neighborhoods by providing a broad range of entertainment, goods, and services. Small businesses are making communities vibrant and creating a sense of place and identity that attract and retain residents.

Embracing small business owners as partners, recognizing their contributions, and honoring their successes are essential to communicating the intrinsic value of the small business community to the City of Baltimore.

The City of Baltimore will celebrate small and local business entrepreneurs by:

7.A Institute the Mayor’s Business Spotlight

- Spotlighting small, minority and local businesses for their contributions to Baltimore’s economy with a feature on the Baltimore City Government Website in addition to a citation and letter of appreciation from Mayor Rawlings-Blake.

- Continuing the Mayor’s small business tours and visits throughout the year including Miracle on Main Streets, Supplier Diversity Week, Hispanic Heritage Month, and Small Business Saturday.

7.B Acknowledge business accomplishments

- Participating in the annual Greater Baltimore Committee (GBC) business recognition awards and the Top 100 MBE awards ceremony.

- Honoring business leaders with an annual Mayor’s business networking and awards ceremony to highlight achievements and contributions of businesses owners.

7.C Establish the Mayor’s Entrepreneurship Award

- Recognizing exceptional entrepreneurs and innovators with an annual Mayor’s entrepreneur award.
References & links

HELPFUL LINKS TO LEARN MORE ABOUT BUSINESS GROWTH IN BALTIMORE CITY.


This report highlights the economic assets that contribute to the health of Baltimore City’s economy, identifies the factors currently impeding Baltimore’s economic growth, and offers a series of strategic recommendations to grow Baltimore’s economy over the next five years. The comprehensive economic development strategy for Baltimore City is centered on eight major approaches that will tap into Baltimore's potential to create a stronger economic future.


This report highlights the shortcomings of the current MWBE program and recommends a new agenda for the City to accelerate and strengthen the rebuilding of Baltimore’s local economy through purposeful economic inclusion of all segments of its business population. Suggested improvements to vendor payment, procurement law, contract administration, and contract monitoring are included, along with proposals for pilot programs to stimulate business and job growth in communities.

3. The Role of Immigrants in Growing Baltimore

The New Americans Task Force was established in the summer of 2013 by Mayor Stephanie Rawlings-Blake to develop a plan to retain and attract immigrants as part of her goal to grow the city. The public-private collaboration was essential in exploring ways to improve existing resources and identify new ones to better address the needs of immigrants throughout Baltimore City. The report offers 32 recommendations to further strengthen Baltimore as a place of welcome, economic opportunity, and inclusion.

4. Baltimore: Open For Business

The Baltimore: Open for Business website provides information and guidance on how to open a business in Baltimore City. This site contains permit and license information and applications, agency contacts and helpful resources to get started. It also links to agencies and organizations that support business development, including the BDC and ETC.