

Amy Harvey

From: Roger Stancil
Sent: Tuesday, June 12, 2018 1:53 PM
To: Allen Buansi; Donna Bell; Hongbin Gu; Jeanne Brown; Jess Anderson; Karen Stegman; Town Council; Michael Parker; Nancy Oates; Pam Hemminger; Rachel Schaevitz; Roger Stancil; Ross Tompkins
Cc: Rae Buckley; Sarah Poulton; Amy Harvey; Beth Vazquez; Carolyn Worsley; Catherine Lazorko; Christina Strauch; Dwight Bassett; Flo Miller; Lindsey Bineau; Mary Jane Nirdlinger; Ralph Karpinos; Ran Northam; Roger Stancil; Sabrina Oliver
Subject: Council Question: Item 4: Sidewalk dining and pop-ups
Attachments: Pop Up Event White Paper.pdf

Follow Up Flag: Follow up
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Council Question: What specific restrictions have you identified in the Town's ordinances that are more restrictive than state law with respect to sidewalk dining regulations?

Staff Response: *The main area of difference between the State Building Code and the Town's Code of Ordinances is where sidewalk dining is allowed to be placed in the right of way. For instance, the state code states that no furnishings shall be placed within 6 feet of any travel lane and the town code adds that sidewalk dining is also prohibited within 50 feet of the right-of-way at any intersection, 10 feet of a fire hydrant, driveway, alley used by vehicles, or handicap parking space, tree grates or 10 feet of the base of a tree, 3 feet of the base of a shrub and any planter. As part of the text amendment process, staff will bring forward a complete comparison of town and state codes.*

Council Question: Are there certain locations in mind in downtown Chapel Hill that have potential for temporary locations of pop-ups? If so, what are they?

Staff Response: *We are responding to interests we have heard about pop-up retail activity in vacant commercial spaces downtown. Please see attached white paper on the topic that was provided to us by a member of the public as information about the topic.*

Council Question: Can you describe what the pilot permitting process for pop-ups will be this summer?

Staff Response: *The first step that has been taken is to create a permit process for pop-up retail that is based on the permit process for holding a temporary event in a public space. As the permit process is used, we hope to learn how it facilitates pop-up activity and maintains safe conditions for the public.*

Pop-up Retail

a dive into the future
of retail and tools to
foster its implementation

Welcome

We're glad to have you!

We've created this guide for anyone who wants to get a feel for the future of retail. In the next few pages we'll give you an overview of this powerful tool to activate storefronts and create vibrant urban experiences. You'll learn:

- 1 What a pop-up is
- 2 How it differs from normal retail
- 3 The different types of pop-ups
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- 5 Pop-ups in other cities

Ready to dive in?

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What is a pop-up?

Pop-up retail is a concept in which sales spaces function on a short-term basis. While the practice was initially confined to retail, the definition of pop-up has been expanded to represent short term experiences in any number of categories

What can be a pop-up?

Retail

Restaurants

Bars

Venues

Galleries

Museums

The commonality between these categories is the limited time during which the space will function.



Pop-up vs. brick & mortar

Of course, profit alone is rarely the sole motivation behind the existence of a traditional store, restaurant, bar, gallery, or the like—although profit is usually the bottom line. Pop-up shops on the other hand may or may not have profit as the bottom line.

In cases wherein the pop-up's profit is the bottom line, a pop-up functions much like a traditional brick-and-mortar establishment. However, the pop-up differs in that the imminent scarcity of the fare offered and the novelty facilitated by the pop-up model serve to multiply foot traffic and sales. Additionally, profit-driven pop-ups appeal to owners among demographics that might not ordinarily seek out a physical space due to limited overhead funds; these include online vendors, young chefs, and providers of seasonal fare.

In cases wherein the pop-up's profit is not the bottom line, cities all over the world have seen novel phenomena: experiential spaces in which grow brand engagement, test products, launch an album, or create indoor parks, to name a few. Though ordinary prices would bar access to retail space for such ventures, short-term lease prices are a mutual advantage for property owners with un-leased spaces and the pop-up business people who rent them.

Pop-ups come in many shapes & sizes.



Pop-up thought leaders

"Pop-up retail truly empowers brands with the ability to bridge the gap between online and offline worlds. It enables a targeted experience between brand owners and customers by allowing a company to create a unique environment that's engaging and generates a feeling of relevance and interactivity. Nothing can replace the element of touch and feel and human interaction."

Melissa Gonzalez, Founder,
The Lion'esque Group

"Pop-up culture helps to test the idea before you go big. Businesses are attracted by it as you can launch something for a week, not get into any lease agreements, keep costs low and test the idea before scaling it."

Sebastian Lyall, Founder
Locappy

"The future of our business and all retail is going to have some online component and some offline component."

David Gilboa, Co-founder,
Warby Parker

"Pop-ups provide an incredibly dynamic way of reaching different groups of consumers without the financial commitment of a long-term lease. For most retailers today, the question is not whether to create a pop-up, but how to make it a success."

Kevin Lavelle, Co-founder and CEO,
Mizzen+Main

"Pop-ups are able to meet consumers where the consumers are going to go."

Greg Portell, Partner
A.T. Kearney's Retail Practice





***What types of
pop-ups might
we expect to
see?***



MINISTRY OF SUPPLY

Founded by a team of engineers, scientists, and designers at MIT, Ministry of Supply has an ambitious mission: to reinvent business apparel. The startup's line of menswear, created with innovative performance fabrics, was designed to bring the comfort of athletic wear for the 9-to-5 crowd. In order to showcase their products and give new customers an interactive shopping experience, Ministry of Supply worked to open a pop-up shop in New York City. The pop-up was so successful that the brand went on to launch three permanent brick-and-mortar locations in Boston, San Francisco, and NYC.

"Our product is something that is very experiential. You need to touch it. You need to feel it to really understand how the performance effects your everyday wear. These pop-ups have been a great way for us to continue that storytelling process." - *Gihan Amarasiriwardena, Co-founder, Ministry of Supply*



TCHO

In December 2014, craft chocolatier TCHO Chocolate joined forces with four other emerging brands to take part in a pop-up artisan market. Although the market was located in San Francisco's busiest shopping center, it allowed vendors to do business at a fraction of the cost of traditional brick-and-mortar retail because it capitalized on underutilized space. The market empowered TCHO to tap into the buzz of the holiday season and to amplify their reach--and the strategic move paid off. In just six weeks, TCHO saw sales soar to \$1230 per square foot.

"Pop-up retail is a key part of TCHO's strategy to keep our brand top-of-mind. Pop-ups broaden our opportunities to meet our customers where and when they shop. Storefront has helped us procure multiple locations that previously would have been unavailable to us."

- *Andrew Burke (CEO, TCHO Chocolate)*



TARGET

Described as “part retail store, part learning lab, part meeting space,” Target’s Open House concept store was designed to show off internet-connected home devices (like “smart” light bulbs, coffee makers, speakers, and doorbells) in a high-tech environment that mimicked a real-world family home. Opened in July 2015, the pop-up installation helped Target to position itself as a trailblazer within the Internet of Things market, which is expected to grow into a multibillion-dollar industry.

“We believe showing the products helps people better understand how these products actually work in their homes and can create solutions for their everyday lives.” *–Patricia Adler (Experience Manager, Target SF)*



KANYE WEST

In support of his hotly-anticipated Yeezus Tour, rapper Kanye West opened popup shops in both New York City and Los Angeles. Devoted Kanye fans, many of whom lined up around the block, were able to purchase the t-shirts, tote bags, trucker hats, and sweatshirts--even if they couldn't get tickets to the tour. The pop-up shops allowed Kanye's team to provide a customized "merch table" experience to a greater number of Kanye fans.

"The thing is, how many record stores are there? There's not many, and it's unfortunate, but what was a record store really? It was a place, obviously, that sold music, but it was a place that people went and they started a conversation and they'd learn something and they'd try something new. These temporary stores are really creating a very similar thing, a place to come and listen to music." – *Mat Vlasic, (CEO, Bravado Music)*



OPENHOUSE

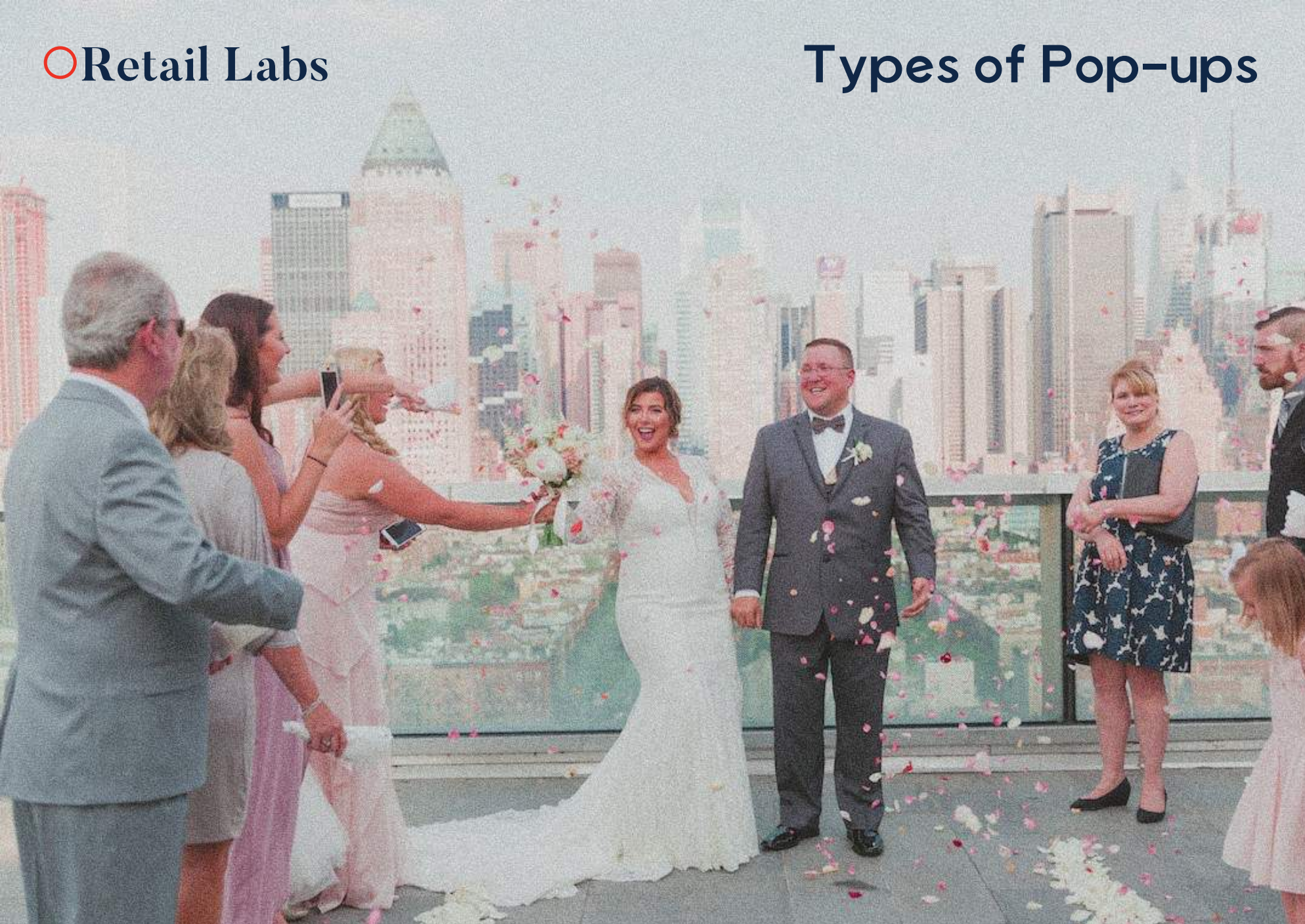
Based in Soho, Openhouse is an event planning and management service with an engaged audience of more than 20,000 patrons. Through partnership with a booking agency, Openhouse has access to over 80 venues throughout NYC.

In 2011, Openhouse Gallery launched Park Here, a free indoor pop-up that functioned as a park. Open for three months and advertised as “blooming when nothing else is,” the space was outfitted with an eco-friendly artificial grass, flowers, foliage and trees, Wifi, hammocks, giant bean bags, picnic benches, and gourmet food and drink carts. Park Here held events such as afternoon tea, and trivia and movie nights, and was open exclusively for moms and kids in the mornings.



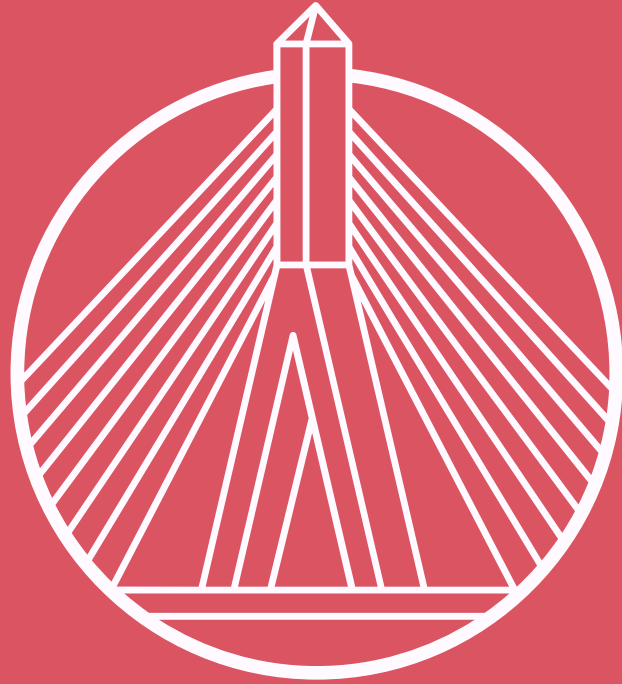
The world's most well-known color company has been running a pop-up café in Monaco for the past two summers, selling a minimal menu of pastries, lunch options, coffees, and fresh juices -- all branded with Pantone's signature color swatches.

Hungry visitors can nosh on a pantone 16-0924 croissant and sip a pantone 17-1227 latte, amongst a host of color-coded sandwiches, salads and snacks. each edible responds to a matching hue — an eclair is paired with a rich, chocolate brown packaging; water bottles bear a soft blue label; and an aperol spritz is served in a vibrant orange vessel. in addition to the menu items, saturated tones are applied to folding chairs, food trays, napkins, and the façade of the pop-up restaurant, forming a visual and vibrant experience for visitors to the coastline microstate's bustling grimaldi forum.



Advertised as “a one-stop shop for your pop-up wedding and elopement, for the chill couple who want an awesome wedding without breaking the bank” Pop the Knot plans pop-up weddings for diverse venues in major cities across the country.

While the average US wedding costs \$26,444, Pop the Knot's prices start at \$1715. Their packages all include a choice of venue, an officiant, a photographer, a boutonniere and bouquet, and up to 25 guests allowed. Pop The Knot matches brides looking for a great venue for their pop-up wedding and venues looking to fill vacancies in their schedules. They also offer public spaces too!



***What are the
benefits of
facilitating
pop-ups?***

Pop-ups represent a massive economic opportunity for both cities and landowners. They turn market inefficiency into an opportunity for economic development.

Foster diverse urban spaces

A number of diverse retailers who otherwise would not be able to enter the market are able to open up a shop or experiential space to validate their market potential. Successful pop-up policy acts as a catalyst for retail innovation due to:

- low startup and overhead costs
- access to new markets
- hybrid art retail
- diverse range of entrepreneurs

Forward-thinking economic policy

Bringing foot traffic to otherwise vacant space activates surrounding areas, improves the local economy, and makes urban spaces more livable. By turning structural inefficiency into novel opportunities for downtown experiences, your city will show that it's not only adapting: it's thriving.

Innovative Branding

Every city has a brand: it's the idea that people have about what a city embodies. Improving a city's brand can increase not only the number of visitors to the city and the number of people who go downtown, but also to the number of permanent residents.

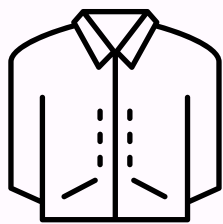
Great branding is always remarkable--not only in the sense that it is exceptional and striking, but in the sense that people literally remark about it. Thus, in order to improve its brand a city must offer things which people will remark about: both through word of mouth and through content in print, digital, and social media.



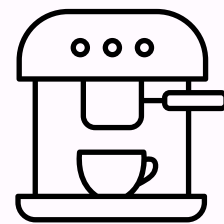


Existing Pop-up Processes

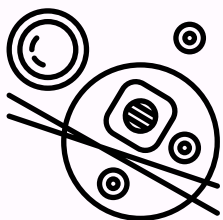
While there are nearly infinite types of unique pop-up concepts out there, we've found that most can be divided into four main categories separated by regulatory burden:



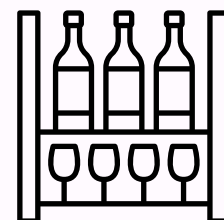
retail



cafe



restaurant



bar

The above categories can be combined to create mixed experiences but doing so requires the proper permitting and inspection for most regulated usage.

The spectrum from least restrictive use to generally looks like this: Retail → Cafe → Restaurant. Alcohol is an additional standard.

Austin, Texas

The city of Austin has implemented policies to streamline the process for business owners who are interested in short-term retail. The policy employs temporary permits that can be obtained and utilized in the following manner:

- 1 **Locate retail space and contact owner**
- 2 **Apply for permit with Development Assistance Center**
- 3 **Commercial plan review**
- 4 **Receive temporary permit**
(processed in 24 hours)
- 5 **Schedule fire building and fire inspections**

The temporary permit is good up to 45 days with one extension up to 90 days allowed. In addition to the above requirements the city also requires that business owners purchase special event insurance for the space.

Norfolk, VA

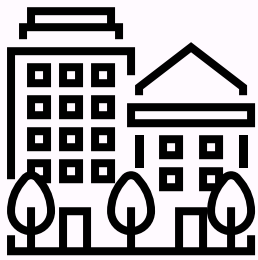
Norfolk, Virginia enacted measures to expedite and clarify the process needed to develop a temporary retail space. Their policy outlines the following steps:

- 1 Enter agreement with property owner
- 2 Comply with Virginia property insurance
- 3 Submit a one-page document to the City of Norfolk Planning Department
(Will be asked about floor plan, participating businesses, parking, etc.)
- 4 Pass inspection by the City of Norfolk Health Department and/or the Norfolk Fire Marshall's Office
(final approval will come from these offices)
- 5 Notify the Commissioner of Revenue's office upon closure of the business

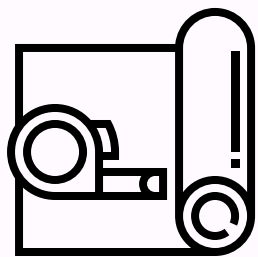
The pop-up application form focuses on the purpose of the establishment and the goods and services that will be rendered. In addition to this, entertainment is another factor considered in application. Entertainment cannot occur outside the approved hours of operation for an establishment.

Analysis of existing policy:

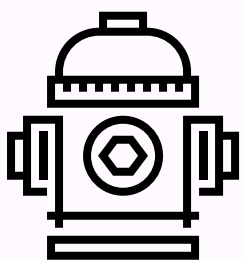
Existing policy outlines the temporary retail permitting around three core areas:



Negotiation with property owner which often includes insurance



Permit application with city




Inspection by relevant city authorities (i.e. Fire Marshall and Health Department)

The pop-up permitting process timeline is generally accelerated with cities such as Austin focused on turnaround times of 1 to 2 days for permit applications. Generally the permitting process is the simplest for businesses that do not serve food and beverages.



Closing Thoughts



The current practice of allowing spaces to sit empty while awaiting rental tenants is an economic inefficiency which persists on a massive scale. By creating policy which enables pop-up businesses to exist, any city can turn a systemic pain point into an asset.

This asset is symbiotic in nature—not only for business owners and property managers who profit directly but also for the city itself in ways which will compound upon themselves. The niche nature of an arrangement so temporary facilitates equally niche business models and attracts business owners who would be unable or unwilling to open up shop permanently, increasing diversity, fostering entrepreneurship, and creating a cycle of downtown improvement.

This model is incredibly simple, and practical enough to merit inevitable adoption by most major cities. Each municipality must decide which part of the narrative it would like to be in: those who were trailblazers and benefited greatly from the movement, or those who adopted it only once it became a given.

a project by



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