

# Pop-Ups & Kiosks Report

## BACKGROUND

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Across the country, cities are exploring new and innovative ways to create vibrant streetscapes and thriving economies. Critical to this mission is the promotion of new opportunities for small businesses and entrepreneurship. These businesses contribute to a dynamic retail mix and create unique and interesting experiences for residents and guests. Two ways that cities have worked to support this is through the use of pop-up stores and retail kiosks.

**Pop-Ups:** A pop-up shop refers to a temporary storefront typically established in high-foot-traffic areas. Pop-ups may operate out of an existing retail space, or a temporary booth or kiosk. These shops range in size, scale, and purpose but allow retailers greater flexibility in testing new products or transitioning into a brick-and-mortar at a lower cost than a traditional retail lease. Recently, pop-ups have also been employed as a strategy to both fill vacancies and promote entrepreneurship. Two successful case studies are provided below. The first program, “Open on Main”, uses pop-up shops to transform underutilized spaces downtown. The second, “Selden Market”, utilizes a large footprint building as a retail incubator, concentrating a number pop-up stores to support small business opportunities and create a one-of-a-kind shopping experience.

**Retail Kiosks:** Retail kiosks are an alternative to a brick-and-mortar storefront. A kiosk is freestanding and can be utilized as a temporary or inexpensive way to showcase products or test new ideas. Kiosks have long been used in airports, shopping malls, sporting arenas, and other special events. They have also been employed as popular tools for wayfinding and information sharing. More recently, kiosks have also been utilized by downtown groups to promote affordable, low-risk entrepreneurship. Kiosks may be placed in high-foot-traffic areas, capitalizing on foot traffic availability and contributing to a vibrant streetscape for passersby. Although retail kiosks are not uncommon, implementation has been met with varying levels of success. Based on these findings, it appears that most often, successful kiosks are oriented around information sharing or food service. Four examples have been provided below related to kiosk use. The first, in Denver, Colorado, highlights how kiosks may be integrated into pedestrian-oriented spaces. The second, in Atlanta, Georgia, shows how kiosks can be woven throughout the fabric of downtown. In Santa Cruz, California, the third example shows how kiosks may be used for food service and wayfinding. The final example in San Pedro, California shows how kiosks may be used for tourist and visitor needs.

## ***POP-UP SHOPS***

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*Open on Main  
Memphis, Tennessee  
Population: 650,618 (2018)*

Open on Main is a retail initiative led by the Downtown Memphis Commission (DMC). Through the initiative, program coordinators from DMC work with property owners to identify vacant and underutilized spaces to be paired with a pop-up retailer. Coordinators prioritize spaces along Memphis' Main Street, one of the largest remaining pedestrian malls in the United States, and an important location in Memphis' downtown core. The program's goal is to help emerging retailers test their products while also contributing to a vibrant pedestrian experience and creating a productive retail mix. The program has achieved great success, and in October of 2020, it was awarded the Downtown Achievement Pinnacle Award by the International Downtown Association. To date, the program has matched over 30 store operators to retail space in downtown Memphis, 80% of which are minority/women-owned enterprises.

To begin, program coordinators must first identify candidate spaces in downtown Memphis and work with property owners to reach an agreement. Candidate spaces are always either vacant or underutilized and can be leased at under market value. For example, in 2019, a developer purchased a hotel with a few adjoining spaces, including a 1500 sq ft diner. The developer prioritized the hotel project and had no immediate plans for the adjacent diner space. Although in poor condition, the DMC coordinator saw this diner as an opportunity to benefit both the property owner and the Open on Main program. Over the next few weeks, the coordinator worked with the property owner to assure them of the program's benefit. The key was that the property owner would contribute nothing but the space, and in return, they would receive a more viable property with the potential for higher yield later on.

Once the property owner agreed, DMC used \$8,000 to renovate, working with a local contractor. The property owner did not request rent for the program's duration, freeing up that money for further renovations. While this was not enough money to completely transform the space, it allowed the team to paint, repair the floor, and add a partition to the back of the structure. The new partition made the space more adaptable by making it suitable to business endeavors other than food service. These minor renovations transformed the run-down diner into a 1500 sq ft canvas with white walls, ready to fulfill future shop owners' needs.

The lease for the building is always held with DMC, who then subleases to retailers. According to the program coordinator, keeping the lease with DMC is crucial in maintaining trust and comfort for the property owner. The DMC may lease spaces for either six months or one year at the property owner's preference. Once a location has been identified, the program officer matches it to a prospective tenant. Within the application process, potential tenants must answer a series of questions to help the coordinator understand their needs, potential yield, and best fit. Successful applicants also have a strong social media following that can draw people downtown. The coordinator also ensures any potential tenant is consistent with the property owner and their brand, and property owners retain the first right of refusal for any potential tenant.

Notably, the program coordinator at DMC has a background in commercial real estate. This background is essential for understanding lease terms and working with both the property owners and tenants. It is also necessary as the program coordinator is responsible for ensuring the business has all of the required liability and insurance coverage. This background further helps in communicating these terms to program participants as they find new spaces and grow into full-time tenants. Finally, experience in commercial real estate also enables the program coordinator to evaluate the viability of a potential vendor and select those most likely to succeed.

Currently, pop-up leases are available in either 2, 3, 4, or 6-month terms, depending on the space, as sublets from DMC who holds the overall lease. As pop-ups have matriculated, program coordinators have helped connect businesses to more extended-term spaces and create relationships with local brokers. Once a retailer matriculates within the Open on Main program, they are supported on Open on Main's website with social media linkages.

Finally, Open on Main has produced a "How to Popup" guide that helps potential owners envision each space and provides do's and don'ts for setting up a pop-up shop. This guide can be found [here](#).

#### Key Takeaways:

- Be persistent when identifying potential spaces—build and maintain relationships with property owners.
- When identifying vacant spaces, look for underutilized space. It does not have to be in full working order.
- Focus on the benefits for both retailers and the property owners. The hardest part is sometimes getting a "yes" from the property owner.
- Rent should always be below market value.

Sample Storefronts, Open on Main



**Selden Market**  
**Norfolk, Virginia**  
**Population: 244,076 (2018)**

Selden Market is Norfolk's first retail incubator, opened on October 4, 2017, in partnership between the Downtown Norfolk Council (DNC) and the City of Norfolk. The market is an extension of Vibrant Spaces, a 2015 initiative connecting aspiring street-level businesses with available spaces in downtown Norfolk. Through this program, retailers received start-up grants and reduced rent, resulting in new small-scale businesses across the downtown. The program also awarded eight matching grants of \$10,000 for existing downtown businesses to upgrade their experiences both outside and within the storefront. Vibrant Spaces was incredibly successful, drawing nearly 100 applicants in its first round.

During the program's operation, coordinators noted that although the program worked with vacancies of varying sizes, the most popular footprint by far was 1,000 sq ft, the smallest available. There was far less need for larger footprint vacancies that the program was also trying to fill. With this knowledge, DNC set out to find a building in which they could provide an increased number of small-footprint retail opportunities. At the same time, the City of Norfolk had a large building available and approached DNC with the opportunity to move the incubator program into the Selden Arcade. The Arcade is a nearly century-old building in the center of Norfolk located next to new and groundbreaking commercial and residential developments. The building is a natural cut-through that had sat vacant for the past few years.

Although the building was much larger than DNC had initially planned for, the City of Norfolk provided \$500,000 of build-out costs, leased the building to DNC at under market value, and provided grant funding for the operation of the market. The DNC currently leases 70% of the building, while the remaining 30% is leased to other uses. Initially, DNC signed a 2-year lease with a one year right to renew. Currently, they are in their last year. As they renegotiate, they plan to expand the market.

The market itself is a retail incubator for Norfolk's emerging street-level businesses. The market allows entrepreneurs a low-risk way to test concepts and ideas while providing a one-of-a-kind shopping experience for guests. The market has space for both storefronts and booths, both with reduced rental rates. Storefronts allow businesses to sign six-month leases, while booths and kiosks can be rented by the day or week. Longer-term storefront vendors are required to provide proof of insurance and COI. However, for booths, vendors are only required to sign an agreement that includes a hold harmless and indemnification section. For small-scale pop-ups testing a simple idea or exploring an interest, an insurance requirement may prevent many from participating in the market. Currently, there are ten retail spaces as well as several booths. In addition to a majority of new and up and coming businesses, two to three retail spaces each year are reserved for mentor businesses. These businesses agree to share their expertise with incubators in exchange for a storefront at the location and a reduced lease rate. Initially, DNC paired each incubator to a mentor business. Now, the mentorship program has grown to include guest speakers and education classes. The market has partnered with a local retail alliance to provide further retail coaching.

Incubator businesses can renew their lease four times before leaving the market or graduating to a mentor status. At this time, all tenants have matriculated on their own,



naturally graduating onto larger or more permanent spaces. Vacancies are typically filled quickly, and DNC does regular recruitment through social media. Throughout the program, coordinators have found that many of their applicants are referred through word of mouth.

The strongest applicants have business designs that embrace new ideas and create unique experiences, products, and services. More information can be found [here](#).

#### Key Takeaways:

- Experience is as important as product.
- Create mentorship opportunities.
- Choosing a central location is important for foot traffic.
- Businesses need to be innovative and new.
- Partnerships with the City and others are essential.

*Interior Renderings, Selden Market*



*Exterior View, Historic Selden Arcade*



## **RETAIL KIOSKS**

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### **16<sup>th</sup> Street Mall: Marketplace on the Mall Denver, Colorado Population: 716,492 (2018)**

16<sup>th</sup> Street Mall, located in downtown Denver, Colorado, is a tree-lined pedestrian promenade running through the center of downtown. The mall is one mile long and features over 250 outdoor cafes, shops, and restaurants. Fountains and plazas host daily events and entertainment, and a free shuttle runs along the length of the mall. The mall is a focal point for local business as well as tourism to the area. Originally opened in 1982 the mall has undergone a series of renovations, expanding in 2001 and again in 2002, to connect to Union Station.

In 2011, the Downtown Denver Partnership launched a kiosk program known as 16<sup>th</sup> Street Marketplace, or “Marketplace on the Mall.” This program uses kiosks as a way to allow entrepreneurs to test out products and gain a downtown audience more affordably than a traditional brick-and-mortar. The ultimate goal is to create an easy transition from a kiosk to an eventual storefront. Seven kiosks were initially installed as part of the city's larger plan to renovate the mall. Initial tenants included a hatter, sunglass retailer, and 1960s memorabilia store. One retailer reported sales of \$500 a week upon moving to the market, compared to sales of \$500 per month at their prior location at a flea market. The retailer attributed this to the increase of foot traffic, essential to the kiosk model.

The Marketplace program is now managed by the Downtown Denver Business Improvement District and focuses on three types of vendors: food, merchandisers & retail, and experiential vendors. In 2014, between 20 and 40 vendors operated on the 16<sup>th</sup> street mall throughout the year. Through this program, coordinators hope to attract more people downtown and add quality, unique, and diverse local businesses to the mall's retail mix. Merchandisers must use a Retail Merchandising Unit provided by the BID, eight of which are available for rent between Welton and California Streets. Merchandisers are required to operate between 11 AM and 6 PM Monday to Saturday and May through October. In addition to retail units, the BID owns four enclosed kiosks. One is used as an information kiosk, and the remaining three are rented to vendors on an application basis.

*Food Kiosk, 16<sup>th</sup> Street Mall*



*Food Kiosk, 16<sup>th</sup> Street Mall*



*16<sup>th</sup> Street Mall, Denver, Colorado*



### **City of Atlanta Public Right of Way Vending Program**

## **Atlanta, Georgia**

**Population: 498,044 (2018)**

The City of Atlanta has designated 29 locations for carts and kiosks around the city as part of its public vending program. Carts are assigned to locations on sidewalks, plazas, or in parks located within downtown Atlanta. Prospective vendors must first be selected in the Public Vending Program Lottery before submitting a public vending permit application. Separate drawings are held for each location. To be eligible, a retailer must maintain a business license and public vending permit with the City of Atlanta. Policies and regulations vary by assigned location, and all intended uses must comply with the relevant zoning ordinances. The Economic Development Division is responsible for issuing a "Location Verification Form" confirming the location, cart or kiosk, and intended use for each vendor. In an effort to encourage business development, the City facilitates a vending cart loan program for applicants with a product but no cart or kiosks with which to display their goods. Further information regarding cart guidelines and vending hours can be found on the [city website](#).

Approved Items for Sale include:

- Tourist or traveler convenience items
- Third-party published, non-explicit materials
- Non-alcoholic beverages
- Prepared food (at food carts only)
- Pre-packaged food (at kiosks and retail carts)
- Spirit merchandise
- Cut flowers
- Seasonal and holiday items

*Sample Kiosks, Atlanta Public Right of Way Vending Program*



Vending permit fees include:

- Criminal background check fee (\$50/year)
- Fingerprint fee (\$20)
- Permit Application fee for vending from an approved cart or kiosk (\$75/year)
- The maintenance fee for vending from a City of Atlanta kiosk\* (\$2,500/year)

*\*Only applicable for businesses vending out of a City-owned kiosk*





***Downtown Kiosk Program  
Santa Cruz, California  
Population: 64,725 (2018)***

The City of Santa Cruz owns and leases four downtown Kiosks as part of their Downtown Kiosk Program. Preferred uses are determined by the City, which submits a request for proposals when a space becomes available. Each kiosk is roughly 60 square feet, and lease agreements are prepared by City staff and approved by the City. Lease terms run three years with negotiated optional extensions. Rent is paid to the City in the annual amount of \$200 and 6% of sales. Tenants are responsible for possessory tax, comprehensive commercial general liability, a business license, and property and workers compensation insurance. Tenants must agree to required hours of operation set by the City unless otherwise stated in writing. Businesses are required to operate on weekends and major holidays. Lease applications include the following:

- Downtown Kiosk Lease Application
- Statement of Representations
- Business Plan
  - Food Services Concept
  - Experience and Qualifications
  - Marketing and Social Media Plan
  - Operations and Management
- Financial statements
- Proposed signage and branding, menu, and price plan
- Proposed off-site food prep and site use plan
- Additional supporting documents as needed

*Informational Kiosk along Pacific Ave.*



With this program, the City has experienced difficulty filling some spaces and maintaining successful tenants. The City has especially struggled to find successful tenants for one kiosk along Pacific Avenue. In 2018, after two unsuccessful tenants in quick succession, the City's Economic Development Department recommended a two-year lease to transform the kiosk into a visitor center ran by the Santa Cruz Downtown Association. The informational kiosk is meant to provide a personal presence to downtown, as well as "to tamp down on loitering, aggressive panhandling and other anti-social behavior." These activities, outlined by the executive director of the Downtown Association, have created a perception that the intersection is unsafe. With this transformation, the City also hopes to improve wayfinding downtown. During the initial kiosk program, tenants found that visitors would often enter the kiosks asking for information or directions due to the general accessibility of the kiosk. Staff hope that an informational kiosk will meet this need.

The association has planned to staff the kiosk seven days a week from April to October from 11 am to 6 pm Sundays through Thursdays and until 8 pm on Saturdays and Sundays. The project is expected to cost roughly \$50,000 per year, and half of the anticipated revenue is likely to come from advertisements on the kiosk's digital sign. In addition to the informational kiosk, three additional kiosks remain on Pacific Avenue, each oriented toward food and beverage services.



**Waterfront Retail Kiosks  
San Pedro, California  
Population: 56,196 (2018)**

In 2014, the San Pedro Historic Waterfront Business Improvement District (PBID) in partnership with the Port of Los Angeles began a retail kiosk program. Through the initiative, selected vendors were given access to movable kiosks located at the San Pedro Downtown Water Cut. Unfortunately, despite filling the kiosks, the program struggled to take off. The location within PBID did not have the critical and consistent mass of guests to sustain the vendors, and the program closed only a few years after its conception. At this time there are no plans to bring it back. The following provides an overview of the program.

The waterfront retail kiosk program ran in partnership between the Port of Los Angeles and PBID. Kiosks were owned by the Port of Los Angeles but operated by PBID throughout the duration of the program. In addition to negotiating leases and rents, PBID aided tenants in marketing, providing two signs for each kiosk with the name of the business.

To supplement this, kiosk operators were allowed one additional A-frame to promote their business, so long as inserts were professionally designed and approved by PBID prior to use. When reviewing applications, preference was given to those from the immediate area, namely San Pedro, Wilmington, and Harbor City. Competitive applicants also catered to the location's high volume of tourists and visitors, providing any of the following goods or services:

- Community Information
- Apparel
- Beverages
- Balloons
- Souvenirs
- Novelties
- Tours
- Face Painting
- Prepackaged food
- Segway rentals
- Bike rentals
- Skate rentals

To apply, prospective tenants submitted the following materials, which were then reviewed by PBID:

- Proposed type of business
- Proposed items offered for sale
- Proposed days and hours of operation
- Business plan including revenue and expense projections
- Current and prior business experience

Once selected, kiosk operators negotiated rents and entered into a one-year lease with PBID. Prior to executing the lease, selected tenants were responsible for providing the following documentation:

- City of Los Angeles Business License Registration

*Kiosk, San Pedro Downtown Water Cut*



- Department of Equalization Registration
- Photo ID of Kiosk Operator
- Certificate of Liability Insurance Coverage (\$1,000,000 limit)
- Certificate of Auto Liability Insurance Coverage (\$1,000,000 limit)
- Certificate of Workers Compensation Insurance Coverage (\$1,000,000 limit)



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