



MICHIGAN
MAIN STREET

CASE STUDY: MIDDLE VILLAGE MICRO-MARKET IN DOWNTOWN LANSING

PROJECT OVERVIEW

Middle Village Micro-Market in Downtown Lansing is a small business incubator and year-round training program that emerged during COVID-19 to fill empty storefronts and support aspiring entrepreneurs. Backed by Lake Trust Credit Union, small business cohorts manage individual retail spaces within a larger storefront, offering a unique shopping experience. The program provides comprehensive business education, helping participants grow their brands and test the market. Their mission is to break down barriers to entrepreneurship and create a vibrant retail environment.

As participants progress through the Middle Village Micro-Market program, they gain hands-on experience in running a retail business, from designing their spaces to managing daily operations and interacting with customers. This real-world practice, combined with the support of mentors and peers, allows entrepreneurs to refine their business strategies and adapt to market demands.

The program's success has not only revitalized empty storefronts in Downtown Lansing but also fostered a sense of community among local business owners. Many graduates of the program have gone on to open their own permanent shops, contributing to the economic vitality of the area. By breaking down traditional barriers to entrepreneurship, Middle Village Micro-Market continues to empower small business owners and enrich the local economy, all while offering a distinctive and enjoyable shopping experience for the community.



Middle Village Micro-market celebrates its 3rd cohort with a perfect track record—10 graduate businesses, all women and/or minority-owned, have not only thrived but also contributed to downtown Lansing's revitalization.

Impressively, 80% of these businesses have secured brick-and-mortar spaces, while the remaining 20% opted for a wholesale approach, showcasing the program's adaptability. The micro-market's impact extends beyond filling physical spaces; it has significantly reduced downtown's first-floor vacancy rate from a pandemic-induced 40% back to pre-COVID levels. This strategic shift has diversified the business mix on first-floors, aligning with the goal of creating a more varied downtown, especially in retail. Operating hours have seen a noteworthy transformation, with existing businesses embracing evenings and weekends.

Beyond tangible outcomes, Middle Village has broken down entry barriers for new entrepreneurs, fostering a collaborative ethos among retailers. This collaborative spirit persists post-graduation, with businesses continuing to work together, organizing events and relying on DLI for marketing and promotion. The triumph of Middle Village has inspired a new venture—the Macotta Club, a food incubator supporting 16 food-based businesses. In collaboration with MEDC, Meijer, and the Michigan Restaurant and Lodging Association, this expansion showcases the micro-market model's versatility, transcending retail to influence diverse sectors of the local economy.

KEY SUCCESSES

Incredible Results: 10 successful graduates, all whom are female and/or minority owned businesses

Met Goals: Reduced Downtown Lansing's first floor vacancy rates from 40% to pre-COVID levels

Repeatable Success: Inspired similar program for food-based businesses

PROJECT FUNDING

Middle Village Micro-market's financial backbone is the Lake Trust Credit Union, a primary sponsor committing \$50,000 annually, ensuring stability with a three-year commitment. This partnership is particularly advantageous as the bank not only provides substantial financial support but also offers crucial training and assistance to the businesses involved. In its inaugural year, the micro-market secured a \$20,000 Vibrancy Grant from Michigan Main Street, jumpstarting its journey. Collaborating with the Small Business Development Center (SBDC), the program ensures comprehensive training for participants.

To sustain operations, micro-market participants are charged a graduated rent rate, starting at \$350 in the first quarter, rising to \$500 in the second, peaking at \$750 in the third, and returning to \$350 in the fourth quarter. This structure allows businesses to accumulate funds for future brick-and-mortar ventures. Participants are responsible for outfitting their 15ft x 15ft space, aspiring for a boutique-like ambiance with permanent fixtures. While Middle Village Micro-market aids in space design, businesses bear the cost of all fixtures and signage, amounting to approximately \$1,000 for the initial storefront setup. To further support entrepreneurs, DLI subsidizes rent and covers marketing expenses, ensuring a conducive environment for business growth.



CHALLENGES & LESSONS LEARNED

- Execute financial readiness assessment as a criterion for program participants
- Develop a robust agreement with participants and allow refinement along the journey
- Determined that mandated deposits were essential to ensuring recourse if needed

Navigating the challenges of running an advanced program for entrepreneurs, Middle Village Micro-market has learned valuable lessons in the process. With the requirement for entrepreneurs to be financially self-sufficient in the initial year, the program has explored the possibility of assessing financial readiness as a criterion for participation. Tackling the complexity of contracts head-on, the micro-market has developed a robust agreement, constantly refining it to address emerging challenges. Recognizing the importance of commitment, they now mandate deposits, ensuring recourse if a business decides to leave the micro-market.

In the realm of lessons learned, the micro-market emphasizes the undeniable payoff of supporting local entrepreneurs through a business incubator. Stressing the importance of a well-structured contract, they have found that shoring up this aspect is crucial for smooth operations. The introduction of a market manager has proven to be a game-changer, providing representation for the organization and a go-to resource for conflict resolution and inquiries. Building strategic partnerships for education and training has emerged as a key element for entrepreneur retention and overall success. Lastly, fostering a culture of collaboration among participants has been a resounding success, creating a supportive community within the micro-market.



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