Cities Offer Recession-Busting Business Opportunities: A few cities have identified some highly creative ways to help their residents make their own way during the recession. These programs not only help the otherwise unemployed, they offer an important service to the entire community.

Portland, OR Lines a Parking Lot with Small Restaurants on Wheels: Portland, Los Angeles, San Francisco, Emeryville, and others are tackling the unemployment problem by allowing an increasing number of mobile food carts to set up business on the street. Entrepreneurial chefs, including unemployed food workers, immigrants, and first-time business owners, cook up treats to feed a hungry public for a bargain price of around $6. Besides offering a wholesome, affordable, delicious meal, they enliven streets with their enticing aromas and colorful but funky restaurants-on-wheels.

In Portland, this phenomenon is in full bloom. There are now 461 food carts operating throughout the city. Colorfully painted, refurbished airstream trailers, modified school buses, and other enclosed, mobile contraptions permanently line the entire block of a downtown parking lot. Some have set up temporary chairs and tables on the sidewalk, creating an inviting atmosphere and adding to the vitality of the area.

The majority of these enterprises barely eek out a living — annual revenues run from $10,000 to $50,000. However, the opportunity to operate a mobile food cart offers the otherwise unemployed a creative job and a way to contribute their culinary skills to the community. The media has been fascinated by Portland's carts, which have been covered by Gourmet, Bon Appetit, The New York Times, The Los Angeles Times and others.

A food cart has a 50% lower startup cost than a traditional restaurant. The price of a cart runs from $1,000 to $32,000 and sometimes one can even be picked up for a bargain price on Craig's List. Since the vast majority of start-ups don’t qualify for funding from banks, many of the owners have received financial assistance from family members or used personal savings, and some are being assisted by a local nonprofit organization.

The secret to the success of food carts in Portland seems to be moderate but effective permitting and inspection requirements. To qualify in Multnomah County, mobile units must "be on wheels and have the ability to be mobile at all times during operation and have no permanent connection to any utility service," but registered carts are allowed to stay in one location as long as they wish. The County Health Department requires the carts to operate under the same health and safety guidelines as restaurants, and receive inspections twice annually. For more information, contact the Multnomah County Public Health Department.

Hercules, CA Finds Innovative Opportunity in Slowed Town Center Redevelopment: In the Bay Area, the City of Hercules' redevelopment project to create a new town center was slowed by the recession. Hercules' public/private development partnership responded with an innovative interim use for the site that creates a public gathering space with elements of retail, recreation and restaurants on wheels. They call it "Market Hall."

While continuing to pursue development in this difficult economic environment, the redevelopment partners sought to use this otherwise vacant site as an "appetizer plate" for the concept of a new town center for this bedroom city. This low-cost, low-risk approach uses re-purposed shipping containers and other temporary but high-design structures to create a civic space on a large park-and-ride lot. Herculeans can enjoy dining, retail, coffee, music and even an outdoor cinema. Nowhere else in town are all these activities located together in a single place with the casual atmosphere of Market Hall. This low-investment experimental development approach enables the developers to learn directly about how the local community uses a true town square. It also signals to the community the seriousness of the intent to develop a new town center.

Market Hall is a collection of a few simple buildings. A steel structure, the center of the project, houses various mobile food vendors, operating from trucks. Around the main hall are several small retail shops operating out of recycled shipping containers and Airstream trailers; an entertainment stage fronted by a great lawn; a bocce court; a children's play area; a gourmet coffee shop (with drive-up); restrooms; and a fire pit. It provides a compact, vibrant community space within walking distance of many residents. On Saturdays, a Farmers Market uses the
Many of the vendors we are working with have a gourmet food background, often coming from four- and five-star restaurants. Now, partly because of the economy, they are operating as mobile food vendors, but still creating the high quality dishes that we are accustomed to in the Bay Area,” says the private developer Tom Weigel. For more information, contact Steve Lawton, the Hercules Economic Development Director. The website for the project is www.herculesmarkethall.com.

Santa Cruz, CA Fills Empty Downtown Office Space by Implementing a New Idea: The U.S. office vacancy rate in the first quarter of 2010 hit 17.2% — the highest level in 16 years according to a report undertaken last spring by real estate research firm, Reis, Inc. The problem looks only to be getting worse, as indicated by the burgeoning growth of “office space for lease” signs seen throughout California. Most experts project that commercial real estate is going to be in a funk for years to come.

This problem is not just impacting the now out-of-work employees of the firms that once worked in these businesses, it is also hurting the retail, food, and other support services in the downtowns where they were located.

Santa Cruz Vice Mayor Ryan Coonerty has come up with an idea to help keep his downtown vibrant in the face of a recession while supporting small entrepreneurs who are most likely to develop the creative, resource- and energy-efficient enterprises that will make up the California economy of the future. Small firms currently represent over 99% of all employer firms, and have generated 60 to 80% of new net jobs annually over the last decade. Sadly, getting a business loan to start a small business is next to impossible today. Coonerty’s idea is to create a community for small business entrepreneurs, freelancers, and other creative professionals, and provide the infrastructure they need to make their ideas fly.

Most vacant downtown office space is much too large or leases are too long for a single individual trying to start a new business. Rather than trying to recruit one 200-person company into the local economy, Coonerty and Jeremy Neuner, Santa Cruz’s former economic development manager, have recruited 200 one-person companies. This creates a critical mass that provides enough individuals to fill the typical large, vacant office space and supports downtown retail and restaurants.

Coonerty says that if half of the city’s sole business proprietors added just one employee, the result would be the largest creation of jobs in Santa Cruz in decades. The new downtown workers will “buy a lot of coffee, tacos, jeans, bagels and office supplies from merchants and retailers in downtown Santa Cruz.” Coonerty is happy to share this idea with other communities and can be reached at rcoonerty@cityofsantacruz.com.

Energy Retrofit Financing Program Back On Track – It Should Do Wonders for the Economy: Previously we reported the highly disturbing news that the federal agency that oversees Fannie Mae and Freddie Mac has refused to support the many local governments across the country that proposed to provide loans for energy retrofits to homeowners, with the cost to be gradually paid back as a property assessment. Thus, the program we called AB 811 or PACE was put on hold.

However, the CA Energy Commission has refused to give up. They have received $33 million in Recovery Act funds, which after legal disputes from the Western Rivers Group and other organizations, this funding order, were finally released and will be administered by the Local Government Commission. The program will provide outreach and marketing, energy efficiency, renewable energy generation and water efficiency financing options, lists of qualified contractors, and comprehensive information on available rebates and incentives to all California’s fifty-eight counties through an integrated web portal. Some targeted regions will also be offered additional services such as financing subsidies for energy efficiency and renewable energy loans and pilot programs that focus on PACE financing.

This $33 million dollar pot of money is part of a comprehensive state energy retrofit program called “Energy Upgrade California.” This massive undertaking is to be funded by a highly impressive $1.2 billion – money contributed from investor-owned utilities, the federal recovery act, the CA Energy Commission, and workforce investment funds. You will be hearing more about this program that is designed to make it easier for homeowners and businesses to identify measures to achieve energy savings, find a qualified contractor, and finance home and business energy efficiency improvements and renewable energy projects.

This effort could provide a real boost to California’s economy. For instance, the City of Fresno has calculated that $750 million is drained from the local economy every year in energy expenditures for heating and cooling homes and offices. If Energy Upgrade California could reduce this figure by half, it would save $375 million to support local businesses that provide entertainment, food, and many other services. A recent economic assessment by Next Ten strongly supports this notion, concluding, “a new California agenda, emphasizing efficiency, renewables, and infrastructure, can be a potent catalyst for economic growth.”