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Proposed Site Address: 17-21 Piccadilly, York, YO1 1PB

Business Plan : Snapshot - Spark:York C.I.C — Eat | Drink | Work | Create

November 2016

Spark:York is an exciting, innovative and totally unique project for York; transforming disused shipping containers into affordable spaces for start-up businesses, social enterprises, artists, talented local people and community organisations in York City Centre.

We have secured an in-principle three-year lease on a derelict piece of land on Piccadilly, and aim to open in Spring 2017. The site will officially be ratified subject to a council vote at the end of November.

The versatility and affordability of recycled shipping containers enables the ability to deliver quick, affordable rented units, providing much needed space to local people in areas of food, drink, retail, art studios and galleries, music, cultural exhibitions, festivals, and workspaces across York.

Included within Spark:York will be:

- **Street food kiosks** – serving unique street food not found elsewhere in the City
- **Beverage kiosks** – serving unique alcohol and non-alcohol based drinks, tapping into the early evening, European-style way of drinking and socialising
- **Retail** – selling unique products not found elsewhere in York
- **Shared workspace** – a Hub for socially minded local businesses and entrepreneurs, providing hands-on support to help grow their ideas
- **Meeting / teaching space** – a quiet, private space for meetings or classroom-type events
- **Stage and performance area** – providing a platform for performing arts and a regular programme of events and activities for York residents
- **Public workspace** – free wi-fi accessible to professionals passing by or needing a couple of hours' space in the City Centre

Nothing like this exists in the North of England, and Spark:York draws on the experience in London of Pop Brixton [www.popbrixton.org], and is inspired by its success and that of other community-based enterprises in the capital. Such sites have regenerated large sections of city boroughs, promoted overall footfall of an area and inspired positive and tangible social change.

As a community interest company, any surplus the project makes will be reinvested into community projects, support for local funds and in improving our social returns on the site.

Spark:York will be the most energetic, vibrant and exciting space that York has seen in recent history; **we seek to be the spark behind local people changing lives.**

Our Team:



Sam Leach,
Director
General Manager,
Focus: Business Concept
and Implementation



Joe Gardham,
Director
Daytime Coordinator,
Focus: Social Enterprise
and Communications



Tom McKenzie,
Director
**Commercial and Community
Manager,**
Focus: Site and Regulations

Our Advisory Board:



Alan Millard,
Chief Operating
Officer, Hiscox UK
and Ireland (Focus -
Business, Financial
and IT)



Robert Bell,
CEO Archomai;
Fellow, Durham
University Business
School (Focus -
Retail, Logistics
and Digital)



Bob Doherty,
Professor
Management School,
University of York and
Senior Lecturer, Social
Enterprise (Focus -
Social Enterprise/
Academic)



Carl Turner
Founding Director,
Carl Turner Architects;
Managing Director,
Pop Brixton; Group
Architect (Focus -
Design, Planning and
Architecture)



Alice Beckwith, Head
of Member
Experience,
Benenden Healthcare
(Focus - Change
Management and
Customer Services)

Our Support Team:



John Nelson,
Group Mentor, Co-
Founder, Hull Trains



James Palmer
Project Manager, Focus:
Implementation and
Operations



Clare Palmer
Project Artist, Focus: Business
and Landscape Integration

Precedent Site: A Model Based on Previous Success



Pop Brixton

Pop Brixton: www.popbrixton.org

- Transformed former derelict ice rink in Brixton.
- Utilised recycled shipping containers to provide commercial space, office space and event space to over 50 local businesses and community groups.
- Has attracted over 750,000 visitors in their first year, have increased the land value by 25%, provided free use of event and meeting space for local community, created over 200 jobs and subsidised rents for community-minded businesses.



So, Spark:York — Our Principles:

1. everything we do is unique to York
2. we are a platform for creative artists, musicians and performers to showcase their work
3. we inspire trust, support and confidence from York residents
4. we improve outcomes for York's marginalised and vulnerable communities
5. we empower social visionaries to realise their ambition
6. we live and breathe inclusivity and equality of opportunity
7. all of our products and services are fundamentally sustainable and accessible to all
8. we raise awareness of social enterprise and the voluntary sector in York
9. we provide affordable space in the centre of the city
10. we are exclusively for independent, York-based businesses

One Planet York - Spark:York — the inaugural project to promote a One Planet City: to make York a more sustainable, resilient and collaborative 'One Planet' city.



- 1) **Vibrancy and Diversity of the Local Economy: Equity and Local Economy** - designed to support local jobs, affordable and accessible enterprise. A tenant criteria of independent, predominantly start-up, York-based businesses — all socially minded and passionate about York. **Culture and Community** - Community at the heart of everything we do, building cohesion across every social demographic of York, inclusive at its outlook and transformational for York. **Health and Happiness** - A healthier, happier, more sustainable site, bringing people together, facilitating new networks across York, events, workshops and opportunities for local people. **Local and Sustainable Food** - Building resilient local supply chains central to strengthening local economies and its social impact to a city.
- 2) **Quality of the Built and Natural Environment: Land Wildlife** - Green roofs initiative, formalised planters, plant plots, a genuine green space in the heart of York. **Sustainable water** - A recyclable water scheme, reducing storm water run-off, and utilising water butts to water our horticulture and greenery on site. **Sustainable materials** - Shipping containers are versatile, easily up-cycled and can quickly be implemented to create enclosures and define space. Containers fitted with recycled OSB cladding, and furniture on site, where possible, will be recycled. **Sustainable transport** - providing additional cycle racks, promoting the busy local bus interchange and walking/pedestrianisation of the site. **Zero waste** - Fully utilising the facilities of recycling and the disposal of waste, with separated bins for garden waste, plastics, cardboard, glass and non-recyclables. **Zero carbon** - promoting shared workspaces, reducing dependency on carbon emitting energy.

We believe **local leadership** is a way we can showcase and present functional and desirable alternatives to how business can be conducted and how future public sites can be utilised for individual and community benefit.

Proposal — Spark:York

Our project focuses on 17-21 Piccadilly, the former Reynard's Garage site.

We will use recycled shipping containers and timber structures to create a thriving community space that can be home to over 20 businesses. This will allow the proposal to evolve due to the modular nature of the containers; it can grow or reduce, according to demand, and can be transported onto another site as and when necessary.



'Meanwhile Use' Developments: is the temporary use of vacant buildings or land for a socially beneficial purpose until such a time that they can be brought back into commercial use again. It makes practical use of the 'pauses' in property processes, giving the space over to uses that can contribute to quality of life and better places whilst the search for a commercial use is ongoing.

<p>Benefits for the council</p> <ul style="list-style-type: none"> - Security of active occupation - Increased prospect of future commercial use - Increased footfall and regeneration of surrounding areas - Cultivating council land - Facilitating jobs, opportunities and community-driven development. 	<p>Benefits for occupiers, business and community groups</p> <ul style="list-style-type: none"> - Low cost, low commitment space - High profile, high footfall site - Space for innovation and growth - Synergy and collaboration with other businesses.
<p>Benefits for the wider public</p> <ul style="list-style-type: none"> - Maintaining vibrancy - Improving visual attractiveness - Attracting visitors and investors - Preventing area blight or decline - Making community services more accessible - Strengthening the third sector - Promoting green space 	<p>Why containers?</p> <ul style="list-style-type: none"> - Precedent of Success - Adaptable and versatile to demand and local needs. - Secure - They work! - They are different!

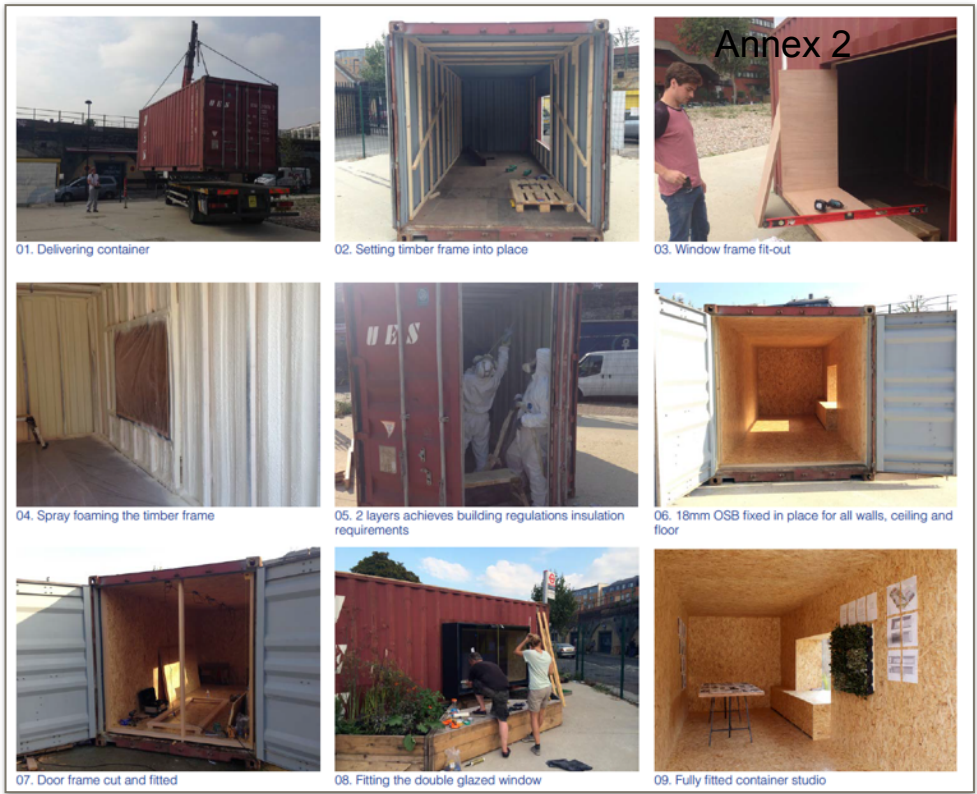


How will the site work?

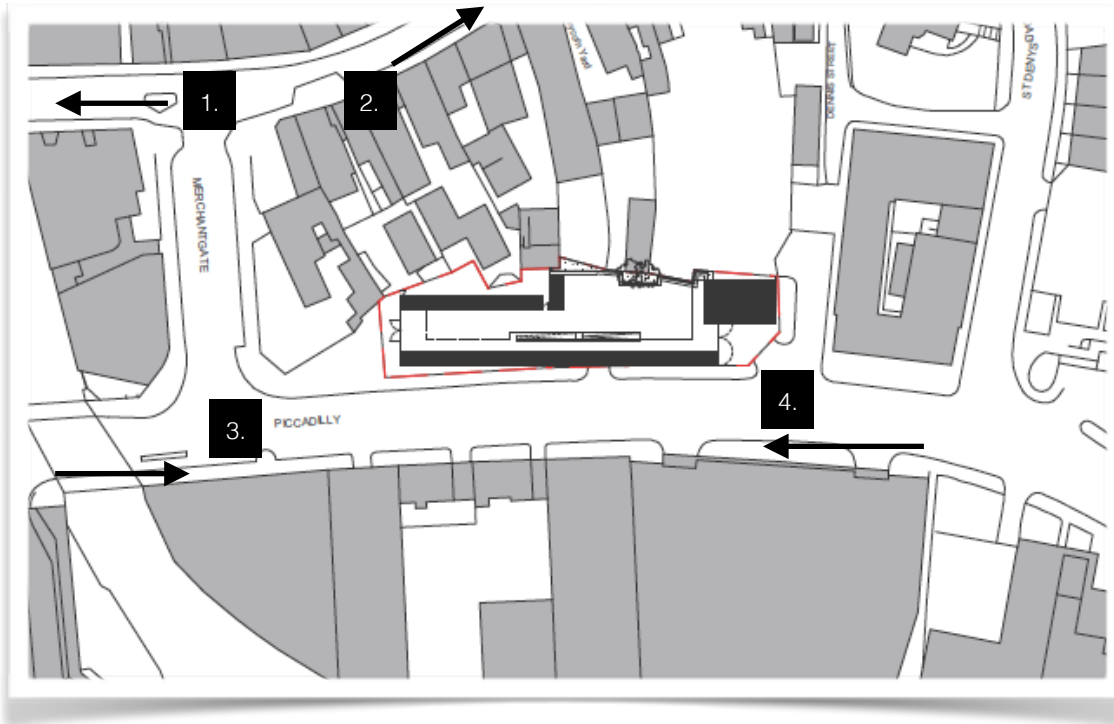
2 Levels: = 1 20ft containers, 14 40ft containers (1 open 20ft container stage/performance area)

- 1 disabled access low-rising ramp; Concrete surface, with planters and greenery, combined with green roofs, and water butts for water collection; Male, female and disabled toilets; A large seating and walking area on each floor. A large event space and seating area on most of the site; Decking stage performance area; Meeting space with views towards the city centre; Retractable cover; Secure and compact space on the ground floor, with retractable gates at both the entrance and exit of the site. Refuse area to the left rear of the site.

Construction Fit Out Process



Annex 2



Footfall Analysis

Footfall in Surrounding Streets - People Per Hour - 1) 18-35 years 2) 36+ years, Monday and Friday		
1) Towards Fossgate	Monday - 9am: 340/168, 1pm: 225/182. 5pm: 254/148	Friday - 9am: 348/144, 1pm: 240/216, 5pm: 276/156
2) Towards Walmgate	Monday - 9am: 99/114, 1pm: 476/398. 5pm: 380/176	Friday - 9am: 108/120, 1pm: 540/408, 5pm: 396/192
3) Down Piccadilly	Monday - 9am: 128/138, 1pm: 160/84. 5pm: 298/164	Friday - 9am: 132/144, 1pm: 168/72, 5pm: 324/168
4) Towards Parliament Street	Monday - 9am: 176/262, 1pm: 360/349. 5pm: 197/118	Friday - 9am: 180/276, 1pm: 372/360, 5pm: 204/120

Fundamentals of the Proposal

<p>Eat</p> <p>The casual dining revolution. Reflecting a growing intrigue in food across the country, and a new, more affordable point of entry to new food for many.</p> <p>Spearheading the 'eating economy' with a constant display of a city's local culinary talent and best food start-ups — accessible and affordable opportunities.</p>	<p>Drink</p> <p>Promoting the relationship between food and drink - drinks to complement an array of food options, that accommodate to everyone's needs. Appreciating the craft of making a drink.</p> <p>Utilising local ingredients, herbs and botanicals, to create natural options for refreshment.</p>
<p>Work</p> <p>Providing genuinely affordable space for new start-ups, social enterprises, charities and community groups.</p> <p>A collaborative community that encourages businesses around a co-working space to work, share, learn and evolve together.</p>	<p>Create</p> <p>Achieving a space that is a constantly adapting, thriving creative force in the city — nothing is impossible.</p> <p>Facilitating event space for all members of a city, building cohesion and supporting interaction between groups across a city — being creative is the lifeblood of cities and the future.</p>

Examples of Possible Events:

- 1) **The Contemporary Art Festival:** Turning Spark:York into a thriving exhibition of local artistry as an outside, contemporary art gallery. This will combine free space for the York Open Studios, arts and crafts workshops and classes for younger residents, a street art exhibition showcasing York through the prism of street contemporary art, visual art, evening jazz concerts, a collection of global ceramics and ethical coffee!
- 2) **York Street Food and Drink Festival:** In combination with York's famous Food and Drink Festival, Spark:York will be emphasising the influence and impact of Street Food in helping to widen and excite York's local, yet global cuisine.
- 3) **Piccadilly Festival:** A celebration of the history of the Southern Gateway of the city, the history of Piccadilly and the history of the former building occupying the site, once a trolleybus depot, then an 'airspeed' factory.



Stories behind Spark:York — Why will Spark:York benefit all groups across York?

Adam - Jah Zipper: Jamaican Street Food Ltd

“This is exactly the sort of thing York has been crying out for. Myself, as well as others in the city, put everything into our food - passion, love, sweat and tears, and to bring all that together in one site is a brilliant idea. I've been doing street food for four years

now, I've had a food truck, done food festivals, had residencies in pubs across the city, so the chance to have my own space and be able to develop my business on my own terms and kit it out in my own style is just what I need. I have big dreams for my company, and this represents a chance.”

Other Notable Conversations:

Members from Spark:York have had a number of meetings with businesses located along Fossgate and Walmgate, to ensure support from the Fossgate Traders' Association. Having spoken at their business forum, we received unanimous support. Many are interested in expanding operations onto the site.

We have been in consultation and have the support of the **York Business Improvement District (BID)** and **Make It York**.

The Market - Building on Market Success

- **Festivals and civic life:** The conversion of large public spaces, particularly on Parliament Square to facilitate large events of food, drink, comedy and retail. Such as The Great Yorkshire Fringe, the York Food and Drink Festival and St Nicholas Christmas Festival.
- **The early evening economy:** In the last five years, a 17.5% increase in food premises across the city centre. York has increasingly diversified its early evening offerings.
- **Student population:** York now has 24,000 students between its two universities.
- **Independent success and regeneration:** The successes of Fossgate, Walmgate and now Micklegate have largely been driven by independent, locally-delivered businesses and council facilitation and support.

Operations: Social Enterprise/Community Interest Company

Spark:York (Spark York C.I.C) is a community interest company, limited by guarantee. (company number: 10071777). We are a standalone commercial venture that exists to further social and community objectives.

Companies limited by guarantee do not have shareholders, they have members instead. These members are Spark's guarantors rather than shareholders. Because the members do not own shares in the company they cannot personally profit from any increased value in the company. The CLG is common for social enterprises. We must:

- serve a community interest and be able to report on how it is serving this interest each year **AND** have a statutory asset lock which ensures that the assets are retained within the CIC for community purposes.

Tenants

Market rent on the site is expected to be £3.88 per square foot, offering: Kiosk space (13.3ft - third of a container) at £100 per week, mixed use space (20ft - half of a container) at £150 per week and mixed use space (40ft - full container) at £300 per week.

Each tenant will sign between a 1 year and 2 1/2 year sub lease, which includes a nominal upfront deposit and the first 3 months' rent. There is a mutual break clause after 6 months.

Tenants will be selected based on the following criteria:

- 1) **the strength of their business plan**, a thorough application process — what would you like to do, how much space do you need outlined with financial planning.
- 2) **their locality to York**, living in York or in close proximity, identifying with the city or having previously worked or ran a business in the city.

- 3) **their alignment to Spark's ethos of supporting York**, particularly by being socially minded, and committed to making a positive impact on their local community.
- 4) **commitment in giving back to the local community**, through contributing one hour of their time each week to support our partner charities, enterprises or provide support to young people or those who have struggled to access mainstream employment.

Preference will be given to businesses that complement each other, rather than compete with each other.

Employment of Staff on the Site

Employment of Staff on the Site - Position and Description	
General Manager (Full time)	<ul style="list-style-type: none"> - To play a leading role in the smooth running and operations of the site. - Liaising with tenants and dealing with any day to day issues. - Effective day-to-day management of the on-site team. - Monitoring and managing health and safety systems. - Contract management of cleaning, security, maintenance, waste etc.
Community and Commercial Manager (Full time)	<ul style="list-style-type: none"> - To ensure harmony and balance is struck between the commercial and community interests of Spark:York. - Acting as liaison manager for our members and visitors, to galvanise a community ethos. - To work closely with our member businesses on a daily basis, forging strong relationships and acting as their key representative. - Working to ensure Spark:York is a contributing member of the local social and economic community, devising and implementing new methods for community outreach and involvement.
Daytime Coordinator (Full time)	<ul style="list-style-type: none"> - To support, develop, coach, mentor and challenge businesses within the Spark's Social Hub Programme. - To build a host of business support clients and professionals who will offer support to businesses in the hub. - Events and activities during the day that meet our social objectives (ie pilates, yoga, intergenerational activities, mens shed, mum fit etc etc).
Other roles	Caretaker and maintenance, security, cleaning.

Financing Spark:York

Overall Project Costs: The business case for Spark:York requires up front capital cost investment of roundly £207,000. This can be broken down as follows:

Individual container costs include: (40ft)

- **Container and Delivery; Ply lined and insulated (inc. labour); Two Windows; Door fitted; Electrics, parts and labour.**

x14 containers 40ft and 1 20ft

- **Including craning and positioning, groundworks, scaffolding walkways and ramp**

= £250,000 (inc contingency and 20% VAT)

Once constructed, the site offers trading space that enables Spark:York to secure revenues from a number of sources, specifically from rents, commission on sales, the running of special events, and the reclaiming of common utility costs via a service charge to tenants. Commissions would be derived twice a year on the basis of open book accounting methods with the tenants. Basic management of the site once established is relatively modest and fixed. The business case does not assume full occupancy so there is a margin for extra income should the site be successful. Management and marketing costs are relatively fixed once established and with incomes steady, once established the financial stability of the entity looks relatively secure.

Further Potential Sources of Revenue:

- **Our own in-house cafe/bar** (Primarily staffed by long term unemployed, ex-offenders and NEETs.)
- **Seasonal Pop-up** (Enabling a new way and lower-risk opportunity to trial a new tenant on the site, to ensure they get their business plan right)
- **Our Online Spark Platform: www.sparkyork.com** (To create online marketplace for Spark businesses and retailers and to enable the site to have a physical and virtual dimension.)

Funding Strategy

Our funding strategy seeks to reinforce our values and mission through how we collect the necessary capital funding for the project. Current total: £125,000 pledged.

Other Issues

Location:

- Where possible, strengthening local ties with members of the community through fundraising, including local business/individual support, sponsorship or donation, and especially through crowdfunding. An emphasis on local community grants and funds confirms this principle.

Funding Mix:

- Loans and repayable debt not to exceed 50% of overall capital costs raised.
- Where possible, strengthen local involvement and 'ownership' from smaller donations.

Cashflow timing:

- 25% by end of October: 62,500, 50% by end of November: 125,000, 100% by confirmation of planning permission (expected December 2016/January 2017): 250,000

How will we do it?

- **PLAN A:** Business: sponsorship/donations/investment
- Individuals: donations, angel investment, small interest social investment.
- Trusts, foundations, community funds and grants. Small council funds (ward funding).
- Crowdfunding.
- **PLAN B:** Loans: social enterprise loans, investment/grant mix

a) Individual Investments and Donations (expected: 50% funding - £125,000)

- Individual donations, angel investment, social investment/interest repayable loans or grant/investment mix (low interest).
- Either monthly repaid or at the end of Year 3, contractual agreement. Pledge first, then contractual ratification.
- Targeted list of 20, initial call, followed by letter with brochure, monitored interaction, meeting and negotiation.

b) Business Support (expected: 10% funding: £25,000)

- **Business sponsorship:** opportunities to sponsor containers or our social hub to facilitate further opportunities for new enterprises across the city.
- **Business donations:** Business contributions or purchase/acquisition of materials for the site, such as container acquisition.

c) Trusts/Funds/Grants (expected: 20-40% funding - £50,000-£100,000)

- Extensive pots for grant funding that satisfy a range of social objectives.
- These include family trusts/endowment funds, local council funding, foundations.

d) Crowdfunding (expected: 10% funding - target: £25,000)

- Raising money for the venture through a large number of small donations from members of the local community, from individuals, local organisations and businesses.
- **Spacehive: Precedent Projects:** Roman Gardens, Castlefield, Manchester - deliver a world-class urban space/garden, pledged £37,342 from 130 backers.
- Crowdfunding launches in coordination with press launch, website release and consultation events.
- List: Spacehive. Launch expected - Mid-November 2016 to End of January 2016.

e) Loans - Social Enterprise Loans

Site Construction Timeline:

Week 1 W/C 16th January: Survey site, drainage utilities, groundworks to prep for containers.

Week 2 W/C 23rd January: Containers arrive and position, scaffold walkways to be erected, any steel work, secure site, materials arrive.

Week 3-Week 9 W/C 30th January-W/C 13th March: Fit out all containers, hard landscaping, electrics and plumbing fit.

Week 10 W/C 20th March: Remaining tenants allowed on site, electrics second fix, finish hard landscaping.

Week 11 W/C 27th March: Snagging, get ready for opening, tidy site.

Site Opens to Public: 1st April 2017

Profit and Loss and Balance Sheet Forecast for Year 1, 2 & 3

	Year 1 £	Year 2 £	Year 3 £
Turnover	272,172	272,172	272,172
Cost of sales	64,620	64,620	64,620
Gross profit	207,552	207,552	207,552
Administrative expenses	128,171	134,471	140,771
Operating profit	79,382	73,082	66,782
Interest paid	2,052	2,052	2,056
(Loss)/profit for the year before taxation	77,330	71,030	64,726
Retained profit brought forward	-	77,330	148,360
Retained (loss)/profit carried forward		148,360	213,085
	Year 1 £	Year 2 £	Year 3 £
Fixed assets			
Tangible assets	214,838	216,375	211,613
Current assets			
Cash at bank and in hand (end of year)	73,966	96,790	119,614
Creditors due within one year	(26,862)	(24,806)	(8,142)
Net assets/(liabilities)	77,330	148,359	213,085
Members' funds	77,330	148,359	213,085

13.3ft - 8: £5,200 per year per tenant - £100 per week, £3467 per month, 20ft - 6: £7,500 per year per tenant - £150 per week, £3,750 per month 40ft - 7: £15,000 per year per tenant - £300 per week, £8,750 per month

Sales Commission: If site is full - and each tenant turns over £50,000 p.a. - 3% of that turnover as commission. **AND** Service Charge - 12.5% of rent per tenant.

Assumptions: Balance Sheet

Leasehold improvements: rent free/utilities, clearing the land

Receivables: rent/service charge/commission

Tangible fixed assets - depreciation/amortisation

Leasehold improvements: 10% of cap ex.

Fixtures, fittings and equipment: 15% of cap ex.

Assumptions: Cash Flow: Start-up cash receipt: £200,000 grant/donation, £50,000 low interest loan (2% APR)

Route to Market

		Q4, 16	Q1, 17	Q2, 17	Q3, 17	Q4, 17	Q1, 18
0	Concept & Agreements						
1	Set up						
2	Establish						
3	Implementation and Roll out						

1. **Concept and Agreements:** Define objectives, aims and visions of Spark:York.
2. Detail revenue streams, feasibility and logistics.
3. Business case submission.
4. Council ratification for the land.
5. **Set up:** Public Press Launch Spark:York - web/social media/press releases.
6. Open interest for tenants and launch crowdfunding appeal.
7. Submit planning application
8. **Establish:** Confirm tenant list, alert tenants of requirements and contract.
9. Secure funding (exempting crowdfunding).
10. Place provisional orders for materials and confirm acquisition of containers.
11. Confirm project plan, management and labour for site.
12. Achieve planning permission for the site and confirm groundworks.
13. Confirm tenant list and promotion to press. 100% capital costs raised.
14. **Implementation and Roll out:** Place orders for materials, containers, and craning.
15. Confirm schedule of work. Begin work schedule.
16. Allow tenants on the site to begin container fit out.
17. Confirm working budget and day to day strategy and management.
17. Pilot private event and **LAUNCH** - April, 2017.