



Proposed Lease - Saltbox WC Dahlia Street, LLC

Finance and Governance Committee
January 3, 2023
Resolution #22-1589

Background and Proposed Use

- DEDO currently supports the Commons on Champa downtown for entrepreneurial services, however DEDO identified a need to provide more neighborhood-based small business and startup support.
- DEDO has already been supporting community partners and trusted voices who are doing work in this area, but do not have the physical space.
- In 2021, funding for the Entrepreneurship Center was included in the American Rescue Plan Act Round 1 allocations, with \$2 million to help secure a site for the center. Due to low inventory of available spaces for sale, the city is pursuing a lease agreement for the space. Saltbox was a desirable partner, and their location already had existing resources (including a photo studio lad, a podcast and recording room, etc.) that would be beneficial for businesses and entrepreneurs.
- The maximum contract value for the five-year term is \$637,102. The remaining funds from the \$2 million ARPA allocation will go toward furniture, equipment, programming, etc.

Proposed Partner: Saltbox

- Founded in Atlanta in 2019 by minority entrepreneurs and with locations to date in six U.S. urban areas.
- Saltbox combines “human-centric” logistics, fulfillment, and warehousing operations for growing firms with an embedded coworking environment designed to meet the needs of a diverse and inclusive membership community of “new collar” e-commerce entrepreneurs.
- An innovative warehousing, logistics, and fulfillment center that provides coworking space as well as a wide array of technical and soft supports to enable its e-commerce members to interact, share resources and ideas, thrive, and grow.

Proposed Data and Reporting

The metrics below align with the proposed plans for Saltbox and associated programming. As the Saltbox and the associated programs launch these metrics are subject to change to meet the needs of the Denver business landscape and programming realities.

Entrepreneurship Metrics

- Number of Entrepreneurs Served (as reported demographics: race, gender, ethnicity)
- Services/Programs Rendered
- Number of Businesses Created (as reported firmographics: employee count, industry, location, and revenues)
- Capital Raised

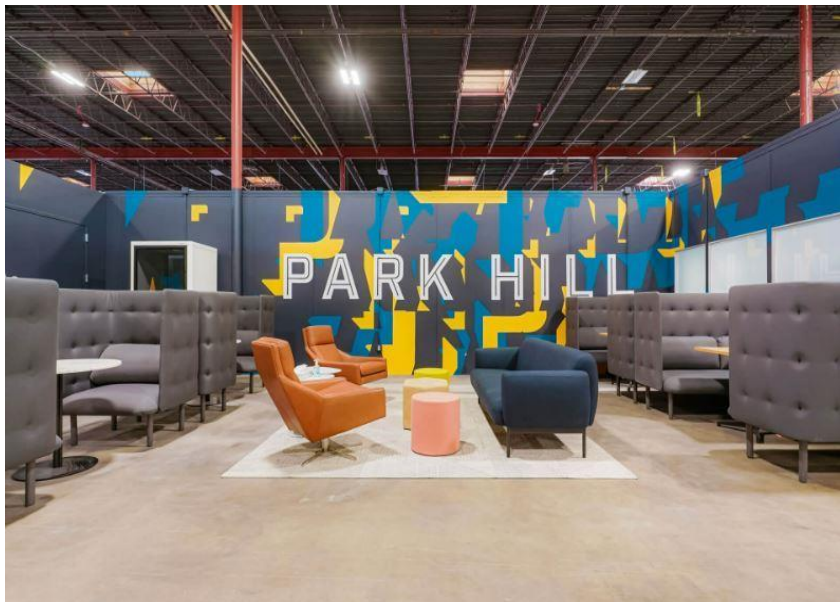
Business Metrics

- Number of Businesses Served (as reported firmographics: employee count, industry, location, and revenues)
- Services/Programs Rendered
- Jobs Created/Retained by Businesses Served
- Capital Raised

Events Metrics

- Event Type
- Participant Count

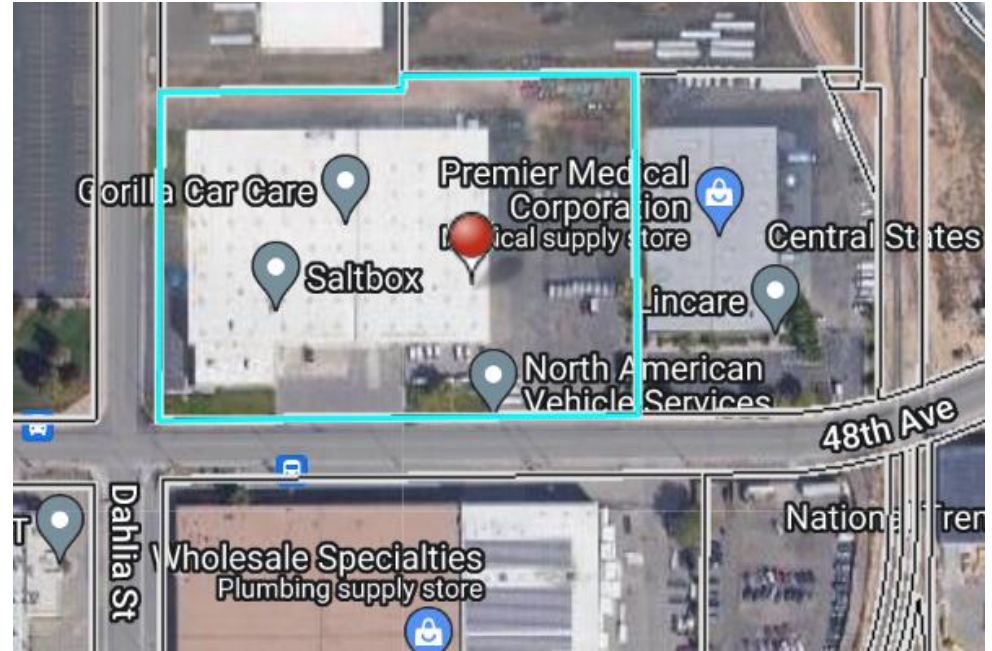
Denver's Entrepreneurship Center



- 7,543 square foot lease at Saltbox for a dedicated “satellite” entrepreneurship center
- Saltbox Denver operations at 4800 Dahlia St. will be convenient and welcoming to the grassroots entrepreneurs and early-growth-stage companies that this program seeks to serve.
- Several of the Malone Fund Ecosystem partners will utilize space for office hours
- Culturally Relevant Programming:
 - Startup
 - Business Planning
 - Industry Partner Introductions
 - Marketing
 - Online/eCommerce Presence

Location

- 4800 N. Dahlia St.
- Council District 8
- 7,549 square feet



Lease Terms

- Landlord is WC Dahlia Street, LLC, owner of the property that is managed by Saltbox.
- City was unable to sign use agreement directly with Saltbox due to indemnity terms the City could not accept. Therefore, City signed lease directly with WC Dahlia Street, LLC.
- Five-year term with 3.5% annual rent increases totaling \$637,102 over the term.
- Space taken as-is.

Requested Council Action

22-1589: Approves a lease agreement with WC Dahlia Street, LLC for \$637,132.07 and 5 years, using American Rescue Plan Act funds, to provide office space for an Entrepreneurship Center at the co-working Saltbox location at 4800 Dahlia Street in Council District 8.



Questions?