

# Spaceworks Strategic Plan

---

*FY2017-FY2021*

# Table of Contents

## Table of Contents

<b>Table of Contents</b> .....	2
<b>Background and Brief History of Spaceworks</b> .....	3
<b>Plan Development Process</b> .....	3
<b>Strategic Planning Context</b> .....	5
<b>Long Term Vision</b> .....	7
<b>Mission</b> .....	7
<b>Values</b> .....	7
<b>High Level Strategic Goals FY17-FY21</b> .....	7
Strategic Goals Rationale .....	8
<b>Measures of Success and Key Strategies</b> .....	9
Goal 1: Build a culturally vibrant and economically stronger community.....	9
Goal 2: Advance economic opportunities for artists and creative entrepreneurs. ....	10
Goal 3: Build programs and services that reflect the diversity of Tacoma.....	11
Goal 4: Increase the clarity and visibility of our brand.....	12
Goal 5: Establish long-term sustainability for Spaceworks. ....	13

## Background and Brief History of Spaceworks

Spaceworks Tacoma is a joint initiative of the City of Tacoma and the Tacoma-Pierce County Chamber that activates underutilized commercial spaces and grows the businesses of creative entrepreneurs in Tacoma. The initiative makes professional training, technical assistance, space, and exhibition opportunities available to artists, creative entrepreneurs, organizations, and community groups who are transforming Tacoma into an economically stronger and more culturally vibrant city.

Since launching in June 2010, Spaceworks has worked with over 250 artists, creative individuals, and organizations in at least 43 spaces around Tacoma. Spaceworks collaborates with property owners who donate their vacant spaces and creative individuals and organizations who transform them into dynamic points of interest with creative businesses, site-specific art installations, special short-term arts centered projects, and pop-up events.

Spaceworks has activated over 50,000 square feet of vacant space, coordinated 131 Artscapes (urban streetside installations and murals) and 48 Special Projects (pop-up shops and exhibitions, residencies and beyond), supported over 90 Creative Enterprises, and brought over 500 events to the community.

Spaceworks has also launched its own entrepreneurial projects downtown including 1120 Creative House - a coworking space for artists and creative entrepreneurs, and the Spaceworks Gallery & Community Space.

Funders include the City of Tacoma, Tacoma-Pierce County Chamber, HUD Community Development Block Grant, The Bamford Foundation, JP Morgan Chase Foundation, South Sound Together, Greater Tacoma Community Foundation, the National Endowment for the Arts, USBank Foundation, The Dimmer Foundation, as well as corporate sponsors and individuals from the community.

## Plan Development Process

The strategic planning process included the following activities:

- Forming a strategic planning sub-committee of the Steering Committee; (the sub-committee included David Schroedel, Amy McBride, and Heather Joy);
- Hiring a strategic planning consultant to work with the organization and lead them through the planning process (Luma Consulting's John Smith and Sue Coliton were hired);
- Key Findings Analysis, including:
  - Key stakeholder interviews with funders, commercial property partners, steering committee members, and staff
  - Review of program results and organizational capacity
  - A focus group of current and past Creative Enterprise Program participants
  - A survey of current and past Spaceworks participants

- A review of exemplary arts-business incubators in other areas of the country
- Development of a findings report;
- A steering committee strategic planning retreat;
- The development of a draft strategic plan;
- Staff development of strategies and tactics to carry out the strategic plan.

## Strategic Planning Context

Spaceworks' new strategy is grounded in the following context of the organization and its current environment:

- Internal context highlights:
  - Spaceworks projects FY16 revenue of \$350K (\$168K in contributions, \$112K in contracts, and \$74K in earned rents). Spaceworks relies on \$352K in in-kind revenue sources. Spaceworks has seen growth of 280% in contributions plus government contracts (from \$72K in FY13 to \$280K projected in FY16). FY16 cash expense is projected at \$349K, and in-kind expenses of \$352K.
  - In FY2015, Spaceworks served 20 business with training and technical assistance, helped 16 Creative Enterprises open in commercial space, enlivened public spaces by commissioning 24 Artscapes in vacant spots in Tacoma, and supported 14 Special Projects.
  - Spaceworks has 4.0 FTEs.
  - Spaceworks' strengths include a hardworking staff, a strong reputation, dedicated committee, space sourcing expertise, cost-effective economic development using arts-related enterprises, excellent connections in Tacoma, and strength in serving women- and minority-owned businesses.
  - Spaceworks' weaknesses include an overstretched staff, lack of commercial real estate under Spaceworks' long-term control (for use by Spaceworks program participants), misperceptions about Spaceworks' governance (some perceive it as part of Tacoma City Government), misperceptions about Spaceworks' programming (known by many for its Artscapes programming, but not as much for its Creative Enterprise programming), and weaknesses in its funding model (a high reliance on in-kind assets and services).
- External context highlights:
  - Personal income in Pierce County has been flat in recent years. Pierce County has seen a net loss of 19,000 from its labor force (2009-2013), despite a decline in unemployment in the county (from 11.7% in 2010 to 6.2% in 2015), though this employment decline could, in part, stem from labor force abandonment. Some of the losses are through planned JBLM down-sizing. There's been a shift from higher-to-lower wage jobs.
  - Various neighborhoods have commercial vacancy rates above their five-year averages for office (Downtown, Hilltop, McKinley, Portland and Proctor) and retail spaces (Downtown, Stadium, Hilltop, Narrows, Proctor, STW). This could present opportunities for Spaceworks to work with willing landlords to source free or below-market rate space in those areas for participants' businesses.
  - Opportunities for Spaceworks include possibilities to: leverage Spaceworks' strong reputation in the community to increase its services; incubate creative technology startups in the region; leverage strong area university relationships; secure space before commercial real estate costs rise; deepen its own technical assistance offerings; leverage its alumni network. Other opportunities include helping participants use retail (POS)

technologies and crowd-source funding technologies (e.g. KickStarter, Kiva) - as well as microlending programs - to help good ideas grow more effectively.

- Threats include an upturn in the economy (reducing commercial space vacancies and hampering Spaceworks ability to secure space), and the potential of bad business press (e.g., from a past or current Spaceworks program participant that is a disreputable business, a high-profile failure, or a disgruntled participant).
- A group of 10-15 organizations in the Tacoma region – some with informal partnerships - are providing services of one form or another to startups and entrepreneurs, though no comprehensive or coordinated network exists among these organizations.

## Long Term Vision

A Year 2027 (10 year) vision was developed by the Steering Committee in the summer of 2016.

- *By 2027, Tacoma is well known regionally and nationally as a city with a vibrant creative culture. Impressive small business growth and jobs stem from smart, diverse, and passionate business owners whose creativity is nurtured by a strong support ecosystem. Tacoma-area community, business, and civic leaders recognize Spaceworks as an integral part of that ecosystem because of its high-quality programs and services, and its strong track record of incubating successful creative businesses.*

## Mission

The following mission was developed by the Steering Committee in the summer of 2016.

- *Spaceworks makes Tacoma culturally vibrant and economically strong through training and support for artists and creative entrepreneurs.*

## Values

Steering committee members agreed in the summer of 2016 to the following core values for Spaceworks.

- Entrepreneurial Spirit: Spaceworks supports creative risk-takers in growing their businesses in Tacoma.
- Innovation and Creativity: Spaceworks builds a vibrant, creative and innovative community.
- Diversity and Equity: Spaceworks represents diverse people, voices, and perspectives, and provides fair access to creative economic opportunities.
- Collaboration: Spaceworks partners with organizations and individuals to achieve a collective vision.

## High Level Strategic Goals FY17-FY21

The following are Spaceworks' high level strategic goals for the five-year period from the beginning of FY2017 through the end of FY2021.

1. **Build a culturally vibrant and economically stronger community.**
2. **Advance economic opportunities for artists and creative entrepreneurs.**
3. **Build programs and services that reflect the diversity of Tacoma.**
4. **Increase the clarity and visibility of our brand.**
5. **Establish long-term sustainability for Spaceworks.**

## Strategic Goals Rationale

### 1. Build a culturally vibrant and economically stronger community.

**Rationale:** Spaceworks believes a creative, artistic, and culturally expressive community is a healthy community. Creative and cultural vibrancy supports a strong sense of place, an environment that encourages risk taking, and economic opportunities for creative professionals. This vibrancy does not come about by accident. By creating opportunities for artists and entrepreneurs to learn, grow, and share their work with the world, Spaceworks plays a unique and important role in making Tacoma culturally and economically stronger. This goal seeks to improve Spaceworks unique role in elevating the creative strengths of Tacoma and the surrounding region.

### 2. Advance economic opportunities for artists and creative entrepreneurs.

**Rationale:** Successful artists and creative entrepreneurs drive a vibrant and creative community. Spaceworks provides opportunities and support to help entrepreneurs evolve their creative ideas into successful businesses. This goal aims to improve Spaceworks efforts at supporting creative entrepreneurs and artists on their business journeys, in partnership with other small business support organizations and resources in the region.

### 3. Build programs and services that reflect the diversity of Tacoma.

**Rationale:** Creativity, talent, and great ideas are found in every corner of the community. Spaceworks strives to make opportunities available to diverse demographics in order to attract the best creative businesses and include the breadth of voice and expression available in our community. This value is reflected in the fact 62% of the creative enterprises Spaceworks has supported are woman or minority owned. To achieve this goal, Spaceworks will increase the diversity of our organization and clients.

### 4. Increase the clarity and visibility of our brand.

**Rationale:** We want to be known for high quality programs and services, a strong track record of incubating successful creative businesses, and transforming community through art. Not everyone knows who we are and what we do. As we hone our focus on our mission and vision, we will clearly and visibly communicate to target audiences who we are, what we do, and how we make Tacoma a more culturally vibrant and economically stronger community.

### 5. Establish long term sustainability for Spaceworks.

**Rationale:** To reach our desired impact, we need to increase our financial and human capital, our organizational capacity and the strength of our brand. To build diverse financial strength for the long haul, we will nurture our key public partners, continue to steward and expand our philanthropic partners to increase our donor base, and find new ways to monetize our services.

## Measures of Success and Key Strategies

The following measures of success and key strategies represent the path Spaceworks plans to take over the coming years to accomplish its strategic goals.

As in any long-term plan, as new events unfold, amendments and course adjustments will need to be made. The Steering Committee will review the plan, and check progress against it at regular intervals to ensure Spaceworks is on track and reacting appropriately as new realities emerge.

### Goal 1: Build a culturally vibrant and economically stronger community.

The following measures will determine if we are successful in this goal.

Quick Win	<ul style="list-style-type: none"><li>• Activate two additional business districts.<ul style="list-style-type: none"><li>○ Locate one or more program participants in the Lincoln district.</li><li>○ Locate one or more program participants in the South Tacoma Way district.</li></ul></li></ul>
In 1 year (FY17)	<ul style="list-style-type: none"><li>• Increase the overall number of public art sites in Tacoma from 10 to 15<ul style="list-style-type: none"><li>○ Increase from 0 to 2 the number of public art sites in the Lincoln district.</li><li>○ Increase from 0 to 1 the number of public art sites in the South Tacoma Way district.</li></ul></li><li>• Increase the number of attendees at Spaceworks' public events from 1600 in FY16 to 2400 in FY17.</li><li>• Increase the number of Spaceworks' Creative Enterprise Grand Openings from 4 in FY16 to 8 in FY17.</li><li>• Create a sustainable all-in model for coworking master lease projects.</li></ul>
In 3 years (FY19)	<ul style="list-style-type: none"><li>• Increase the overall number of public art sites in Tacoma from 15 to 18</li><li>• Increase the number of Spaceworks' Creative Enterprise Grand Openings from 4 in FY16 to 30 (cumulative) in FY19.</li></ul>
In 5 years (FY21)	<ul style="list-style-type: none"><li>• Increase the overall number of public art sites in Tacoma from 18 to 20</li><li>• Purchase 5,000sf of creative enterprise property.</li><li>• Increase the number of Spaceworks' Creative Enterprise Grand Openings to 50 (cumulative) in FY21.</li><li>• Help Tacoma achieve a CVI (Cultural Vitality Index) of 1.1 or higher</li></ul>

## Goal 2: Advance economic opportunities for artists and creative entrepreneurs.

The following measures will determine if we are successful in this goal.

Quick Win	<ul style="list-style-type: none"><li>• Increase number of Tier I training person hours from 480 in FY15 to 936 in FY17.</li></ul>
In 1 year (FY17)	<ul style="list-style-type: none"><li>• Increase coaching hours to our Alumni Creative Enterprises from 140 hours in FY16 to 240 in FY17.</li><li>• Provide quarterly networking opportunities to our alumni participants in FY17.</li><li>• Increase artist opportunities from 22 in FY16 to 35 in FY17.</li><li>• Celebrate openings of 12 Creative Enterprises.</li><li>• Support the creation of, on average, at least 1 paid FTE per business directly served by Spaceworks.</li></ul>
In 3 years (FY19)	<ul style="list-style-type: none"><li>• Increase CE Tier I training person hours by 25% to 1,080.</li><li>• Exceed the Bureau of Labor Statistics measure of business survivability at one, two and five year benchmarks for our creative enterprises' success.</li><li>• Support 100 artists with 100 commissioned installations or gallery exhibits in FY17-FY19.</li><li>• Celebrate grand openings of 36 Creative Enterprise in FY17-FY19.</li><li>• Increase microgrants from \$500 in FY16 to \$1,000 by end of FY19.</li><li>• Align with at least one partner organization to connect artists with resources and additional opportunities, by FY19.</li><li>• Support the creation of, on average, at least 1.5 paid FTE per business directly served by Spaceworks.</li></ul>
In 5 years (FY21)	<ul style="list-style-type: none"><li>• Exceed the Bureau of Labor Statistics measure of business survivability at one, two and five year benchmarks for our creative enterprises' success.</li><li>• Support the creation of, on average, at least 2 paid FTE per business directly served by Spaceworks.</li><li>• 75% of businesses started last year are still in operation.</li><li>• Celebrate grand openings of 60 Creative Enterprise in FY17-FY21.</li><li>• Provide 60 microgrants in FY17-FY21.</li><li>• Celebrate at least 10 alumni artists reaching a moment of distinction (ex: AMOCAT award winner or GTCF nominee/winner)</li></ul>

### Goal 3: Build programs and services that reflect the diversity of Tacoma.

The following measures will determine if we are successful in this goal.

Quick Win	<ul style="list-style-type: none"><li>Establish and maintain a steering committee that reflects our participant pool.</li></ul>
In 1 year (FY17)	<ul style="list-style-type: none"><li>Achieve at least an aggregate ongoing (since inception) percentage of women Creative Enterprise participants at 48%.</li><li>Achieve at least an aggregate ongoing (since inception) percentage of minority Creative Enterprise participants at 32%.</li><li>Engage with leadership at 5 new organizations that reflect the diversity of Tacoma.</li><li>Have a presence at 5 community events that reflect the diversity of Tacoma.</li><li>Develop and execute a strategy to diversify our staff and steering committee.</li></ul>
In 3 years (FY19)	<ul style="list-style-type: none"><li>Steering committee, content experts, and staff include people of color.</li><li>Percentage of Creative Enterprise applications from minorities is equal to or greater than the representation of Tacoma's population.</li><li>Over 50% of Creative Enterprise applications are from women.</li><li>Increase aggregate ongoing (since inception) percentage of women participants to 50%.</li><li>Increase aggregate ongoing (since inception) percentage of minority participants to 40%.</li><li>Develop at least one Artscapes commission or gallery exhibition specific for artists of color.</li></ul>
In 5 years (FY21)	<ul style="list-style-type: none"><li>Steering committee, content experts, and staff include people of color.</li><li>Achieve at least an ongoing (since inception) percentage of women participants at 50%.</li><li>Achieve at least an ongoing (since inception) percentage of minority participants at 40%.</li></ul>

## Goal 4: Increase the clarity and visibility of our brand.

The following measures of success will determine if we are successful in this goal:

Quick Win	<ul style="list-style-type: none"><li>• RFP awarded to creative firm to develop a full Communications &amp; Community Engagement Strategy.</li><li>• Identify baseline measures for tracking.</li></ul>
In 1 year (FY17)	<ul style="list-style-type: none"><li>• New Communications &amp; Community Engagement Strategy developed and implemented.</li><li>• Develop trackable measures of public engagement (with Spaceworks) and develop baselines for those measures.</li><li>• 40% increased traffic to our website and newsletter subscriptions.</li><li>• Achieve and maintain an average of 40 media mentions* per year. * Mentions qualify if they note Tacoma as a creative or cultural/creative destination, and/or of Spaceworks influence on the culture.</li></ul>
In 3 years (FY19)	<ul style="list-style-type: none"><li>• Increase understanding of our programs among our stakeholders (individuals or organizations who support us financially, who partner with us in delivering services, who read our publications and/or follow us on social media, and who attend our events) by 50%.</li><li>• Achieve and maintain an average of 50 media mentions*.</li><li>• One mention of Spaceworks in a national or international independent news media outlet.</li></ul>
In 5 years (FY21)	<ul style="list-style-type: none"><li>• At least one Artscapes participant and one Creative Enterprise participant from any prior year has received national recognition (evidenced by national outlet media piece) for their work or their product/service.</li><li>• 10 media mentions of Tacoma as a creative or culture/ creative destination, (and/or 5 of mentions of Spaceworks influence on that culture), by a national or international independent news media outlet.</li><li>• Increase from 1 in FY16 to 3 in FY21 of media mentions about Tacoma as a creative city in national or international media outlets.</li></ul>

## Goal 5: Establish long-term sustainability for Spaceworks.

The following measures will determine if we are successful in this goal:

Quick Wins (FY17)	<ul style="list-style-type: none"><li>• Double the net proceeds at our 2017 annual fundraiser (\$60K) over the 2016 event (\$28k).</li><li>• Increase fundraising events from 1 in FY16 to 2 in FY17</li></ul>
In 1 year (FY17)	<ul style="list-style-type: none"><li>• Increase individual giving from \$11k to \$16k.</li><li>• Increase foundation grant giving from \$125,000 (FY16) to \$185,000 (FY17)</li><li>• Maintain at least \$18,500 in corporate giving.</li><li>• Develop 5-year Fund Development plan (including fundraising goals, cash reserves targets, property acquisition and capital campaign timeline, etc.)</li></ul>
In 3 years (FY19)	<ul style="list-style-type: none"><li>• Secure funds for full-time development coordinator.</li><li>• Increase funds from individual gifts since FY16 by 60%.</li><li>• Increase funds from corporate gifts since FY16 by 25%.</li><li>• Cash reserve reaches level where it can cover 3 months of operating expenses.</li><li>• Complete feasibility study for purchasing property.</li><li>• Secure a multi-year grant.</li></ul>
In 5 years (FY21)	<ul style="list-style-type: none"><li>• Cash reserve reaches level where it can cover 5 months of operating expenses.</li><li>• Update strategic plan.</li><li>• Launch Capital Campaign.</li><li>• No single source of revenue represents more than 25% of operating income (including in-kind contributions).</li><li>• Purchase property in Tacoma.</li></ul>