



Downtown Mobile 'retail incubator' aims to ease new businesses into vacant storefronts

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(Press-Register Correspondent/Lyle W. Ratliff)

People line the sidewalks at the corner of Dauphin and Jackson Streets during the annual Beerfest in Mobile, Ala., Saturday, August 28, 2010. Officials are hoping to lure businesses into downtown Mobile with a retail incubator that would allow vendors to test the market.

MOBILE, Ala. -- As Mobile's downtown continues its revitalization, retailers are beginning to see it as a potentially lucrative place to open up a location, said Denise Browning, a financial consultant with the Downtown Mobile Alliance.

But like a child about to jump in the pool for the first time, many are hesitating, she said.

They like what they see. They think it could be fun. But it also looks scary.

The alliance, an umbrella group that promotes growth downtown, hopes to encourage them by setting up a retail incubator — a single storefront paid for and staffed by the alliance that would house a variety of vendors interested in testing the downtown market.

Each vendor would pay the alliance a nominal rent for its section of the space but would save money on expenses such as utilities and manpower.

A diverse retail presence is the missing piece of the downtown puzzle, said Fred Rendfrey, who runs economic development for the Downtown Mobile District Management Corporation, the alliance's operational arm.

In order to be successful, any traditional city center needs a blend of offices, entertainment, housing and retailers, he said.

Mobile has made strides in some aspects, particularly entertainment options, but retail remains sparse.

The alliance hopes the incubator will help new retailers get comfortable enough downtown to eventually strike out on their own, filling some of the numerous vacant storefronts that dot the city center.

Alliance officials came up with the idea after visiting Milwaukee during a conference, Rendfrey said.

Milwaukee Public Market, which is owned and operated by that city's Business Improvement District, has become a fixture in the neighborhood, and several former tenants have gone on to open their own shops, said Paul Schwartz, the market's manager.

The operation is arranged like a European-style indoor market: individual grocery vendors — a butcher, a fishmonger, a baker and others — set up individual mini-shops but share marketing expenses and other costs.

Like the alliance plan, each vendor pays for the right to sell in the store.

There are some important differences between the Milwaukee operation and the Mobile alliance's plan.

The Milwaukee vendors, for example, each run their own sales operation. Under the Mobile model, the incubator would have only one point of sale, regardless of which vendor's goods were being purchased.

The Mobile vendors wouldn't have to staff their space, as the store would be tended by shared employees.

While the Milwaukee market occupies a warehouse, the Mobile alliance is looking for a storefront on Dauphin Street with about 3,000 square feet of space, Browning said.

The store would need to host six vendors paying \$1,500 per month in dues in order to be self-sustaining, Browning said.

The plan is still in its early stages.

Browning and Rendfrey have begun recruiting tenants, but they need to have funding in place to renovate and lease a storefront before they can begin signing contracts.

Browning said it would take about \$100,000 in seed money to get the storefront started. She's working on fundraising through Main Street Mobile, the alliance's nonprofit arm.

Funding the incubator through Main Street makes raising money easier because foundations and trusts can make tax-deductible donations, Browning said.

There is already political support. City Councilman William Carroll, for example, suggested that the city ought to provide some of the seed money through a performance contract.

But it still may be difficult for another private entity to tap into taxpayer money in a time of budget uncertainty. Even Carroll has said that city spending is overstretched and needs to be cut back.

Another business incubator already receives city money. The Business Innovation Center, which sits in a former school on Azalea Road, south of Government Boulevard, is budgeted to receive about \$23,000 next year.

Unlike the downtown plan, the Business Innovation Center focuses on helping small businesses get off the ground and does not normally deal with retail companies.

The Downtown Alliance's plan will target existing retailers with the goal of getting them to open a downtown location.

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Interested in finding out more about the Downtown Mobile Alliance's plan to create a retail incubator? Contact Fred Rendfrey of the Downtown Mobile District Management Corporation, 261 Dauphin St., 251-434-8498.