

# You can win a storefront in downtown Duluth

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It's been better downtown, and it's been worse.

But about 20 storefronts on Superior Street, from Fifth Avenue West to Fitger's Brewery Complex, are currently vacant.

While there's always talk about the need for more retailers downtown, the Greater Downtown Council is now doing something about it.

A new downtown initiative was unveiled Wednesday night at the Greater Downtown Council's annual dinner meeting that guarantees two of those empty storefronts will be retail stores, probably before the year is up.

"I think it's a great idea," said Tina Nordin, marketing manager for Fond-du-Luth Casino. "The more creative ideas we can bring to downtown Duluth, the better it is for all downtown businesses."

The initiative -- "Go Downtown, Grow Downtown. The Great Space Giveaway" -- is actually a contest. Aspiring entrepreneurs will compete with their business concepts and plans for the opportunity to open their own retail store downtown. And they'll have enough added support -- including start-up business help -- from downtown council members to make it successful.

"We've assembled a pretty hefty incentive package," said Kristi Stokes, downtown council president.

Two entrepreneurs will win -- a new retailer and a retailer expanding to downtown Duluth -- with the biggest plum being free rent for one year.

"It's a way to show strong unity in downtown," Stokes said. "We're saying we want to do something to fill some of these vacant spaces and to lure retailers into our downtown."

The catch is the new store owner must commit to a three-year lease. But with the first year rent-free, that can be a savings of \$24,000, Stokes says.

"There are a lot of people who would like to own their own business," said Rick Heimbach, owner of Bagley & Co. "But oftentimes, start-up costs are so prohibitive that they never get the chance. This gives them that chance."

The challenge, Heimbach says, is for them to come up with an idea that will work downtown.

While some say they want a hardware store or a women's clothing store downtown, those kinds of stores run by experienced retailers have closed.

"People need to understand there needs to be a whole different concept designed for downtown," Heimbach said.

Eight from which to choose

Oneida Realty Co. has offered four storefronts as candidates: the former Ace Hardware space at 210 and 212 W. Superior St., the former Betty Lou's Health Foods at 301 W. Superior St. and the former Allenfall's at 324 W. Superior St.

All have been vacant less than a year.

"It's to spur retail interest and activity in the downtown area," said Terry Netzel, Oneida's assistant vice president. "And it may give entrepreneur types a chance to start up their dream business that they might not otherwise be able to do. It may cost us in lost rent in the short term, but they may be there for the long term, so it would be a win-win."

Heimbach is willing to donate vacant store space at 313 W. Superior St., which he owns.

"I'd rather have somebody in there and be part of downtown than have it empty," he said. "If I can give somebody a chance, and they're successful at it, then we got a new business and jobs. And I'll end up with a tenant, hopefully a successful one."

Other properties so far offered up for the initiative are the former Christopher's Clothing and Accessories at 305 W. Superior St., the former Budgeteer office at 222 W. Superior St., and the former plasma center at 9 W. Superior St.

All are on West Superior Street, but that's just what's available, Stokes said.

"We would work with (the winners) on what would be the best fit for them and the property owners," she said.

Start-up support

To help the new stores succeed, they also will get plenty of free support. It includes marketing services from Out There Advertising, start-up business consulting and a low-interest \$5,000 loan from the Northeast Entrepreneur Fund, an advertising package with the Duluth News Tribune and membership with the Greater Downtown Council.

Maurices, based in downtown Duluth, is providing free retail mentoring services for one year. The mentoring can range from help setting up a floor plan to what to look for when hiring employees, said Sue Ross, Maurice's senior vice president of human resources.

"We want to support any new business in any way we can," she said. "We think it's a really great, innovative initiative. It's a great chance for someone with the seed of an idea to have the space."

All told, the incentive packages are valued at more than \$55,000 each. The downtown council just insists that the businesses be new to downtown.

"We want to serve as a catalyst for entrepreneurs," Stokes said. "We're hoping to make this so much easier for somebody out there."

Since the winners won't be chosen until June, some of the properties could be leased before then.

"It's a fluid list," Stokes stressed. "In the meantime, we're not preventing property owners from leasing their space."

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