

Novato merchants hope changes will revive downtown

Rob Rogers

Posted: 10/03/2010 10:37:09 PM PDT

The recession may be ending, but Novato retailer Kimberly Wesch still isn't sure if her store will survive.

A year ago, Betty Ann - the fashionable boutique on downtown Novato's Grant Avenue that Wesch named after her grandmother - was building up a steady clientele. Today, the store is nearly vacant, and Wesch says she may close by the end of October.

"The downtown is suffering," Wesch said. "People aren't shopping. We're having a hard time making sales and making rents. We have the new Whole Foods here, which supposedly would draw customers - and yet four downtown businesses are shutting down."

Novato officials acknowledge that at least five of Grant Avenue's 200-some businesses are closing or planning to close. But officials -

who spent \$11 million in redevelopment funds to give the city's business district a makeover in 2003 - point out they've already found new tenants to replace those businesses that are leaving, and that other new retailers, such as Larkspur's Rustic Bakery, are moving into the area.

"A month ago, when we first found out about the places that were leaving, everybody was wringing their hands, wondering what we could do," said John Williams, president of the Novato Downtown Economic Development Committee. "The answer is that it was a natural turnover, and that new

businesses are coming to energize the street all over again."

Andy Podshadley wants to be one of those new owners. He's meeting with city officials on Wednesday to discuss turning

a Victorian home on Machin Avenue into a new facility for his Trek Winery, where downtown shoppers can learn about wine, taste samples and try their hands at making their own.

Podshadley believes the time is right for what he calls an "urban winery," and that downtown Novato is the ideal location. He plans to incorporate a replica of one of the city's familiar buildings - the old train depot - into the design of his complex, and to feature products made in Marin County at his store.

"In the past, everybody wanted to go out and see the vineyards. Now, people don't want to drive so far," said Podshadley, who has lived in the city for 47 years. "Here, people can try our wines in a relaxed setting."

A new kind of consumer

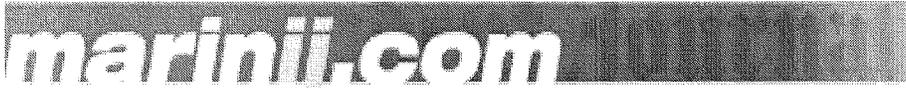
Independent niche operations like Trek Winery, which combine a unique, upscale product with an emphasis on service, are among those businesses likely to survive the recession, and the economy that will follow it, said N. David Milder, a former Ohio State University professor who has spent the past 25 years studying downtown business revitalization.

Milder, the founder and president of DANTH Inc., a New York-based downtown revitalization consultant, said affluent communities like Marin County are the most likely to bounce back quickly from the recession. To do so, however, downtown retailers will have to prepare themselves for a new



Save \$26 a month
and lock in your price for **ONE YEAR!**
Switch today! 1-877-866-8603

Print Powered By FormatDynamics™



kind of client - one he calls "the deliberate consumer" - who will continue to be more circumspect about spending even as the economy recovers.

"People are calling into question a lot of their behavior," Milder said. "You would expect that if any place was going to be among those rebounding the most, it would be places like Marin. But (sales) are not going to be where they were before."

That's hardly news to Larry Harrison, who recently closed New Shoes for Kids after three years in business on Grant Avenue. Harrison said competition from lower-priced shoe stores at San Rafael's Northgate mall made it impossible for him to stay in business.

"We've always been a little bit more expensive than other shoe stores, but even eight to 10 years ago, there wasn't quite the competition from brands like Skechers," Harrison said. "I'm selling shoes for \$25 to \$80. But they're selling Converse shoes for \$29.99 and Vans for \$17.99. It's difficult to compete with that."

Milder agrees that price is a consideration for shoppers who have seen their nest eggs shrink and the cost of necessities, like gasoline, food and health care, climb during the recession. But he believes lower prices by themselves won't make downtown shops competitive.

"Successful downtown merchants have to redefine, in a concrete way, what value means to the customer and on what basis they can provide that value," Milder said. "Price is one way, but as the economy gets better, the importance of price in the customer's definition of value will diminish. Retailers need to be much more on the ball in terms of understanding what the customer wants, providing that merchandise - and servicing them to

death."

Making downtown a destination

Harrison believes he's provided that kind of service to his customers. He's worked with local mothers' clubs, held discounts and hosted cookie-decorating parties and other holiday events in his store. The problem, he says, is that it's hard to draw in foot traffic when Novato's streets are empty.

"It's a frustrating thing, hearing people say they've lived in Novato for 10 years and have never been downtown," Harrison said. "I think every little shopping area is struggling to keep people in."

To help fill those streets with people, the Downtown Novato Business Association has issued a rewards card that provides discounts and other incentives to those who patronize local stores. The group is also launching a music series on the Civic Green on Friday, in hopes that events like those - and the weekly Novato Farmers Market on Grant Avenue - will help residents see the main street of their hometown as a destination. Similar efforts have helped revive shopping districts in San Rafael and Fairfax.

"People in Fairfax are aware that if they don't spend money locally, we won't have a local community," said Ingrid Weiss, executive director of the Fairfax Chamber of Commerce, who noted that all but one of the town's empty downtown storefronts has found a tenant. "They're all making a real effort to patronize the local stores, shops and restaurants."

Kimberly Wesch says she's willing to fight for her customers. She's introduced a new line of merchandise at her store, one that's less expensive, but "still high fashion," she said. She's still planning on closing the store, but is hoping that - with the help of her most loyal customers - she won't have

PROTECT YOUR HOME

FREE Home Security System!
\$850 Value!

CALL NOW and receive a **FREE** wireless remote control with **PANIC BUTTON!**

1-877-246-7519
Mon-Fri 9am - 10pm - Sat 9am-7pm - Sun 11am - 6pm EST



At no cost to you for parts and activation with only a \$99 installation fee and the purchase of alarm monitoring services. Terms & Conditions apply.

Print Powered By 



to.

"It's really challenging for small business owners to stay in business right now," Wesch said. "If local residents could keep their shopping dollars in their hometown, it would be a lot better."

Read more Novato stories at the IJ's Novato section.

Contact Rob Rogers via e-mail at rrogers@marinij.com

Eat Great, Lose Weight!

© 2009 eDiets.com, Inc. All rights reserved. epicurious is a TM of Conde Nast Digital. Redbook is a TM of Hearst Communication, Inc.



Call 1-888-378-3151

and get a FREE week of meals plus
a BONUS \$25 gift!

eDiets

fresh
prepared

meal delivery

Rated #1 best tasting
by epicurious.com

"Best bang for your buck!"
- Redbook

Print Powered By 