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Fourth Street business recruitment effort under way

Buoyed by a recent study that says there's money to be made in downtown Louisville, development officials are beginning a major push to recruit new retailers and other businesses to Fourth Street.

A recently completed market study indicated a potential of \$450 million in annual retail sales, nearly twice the level of existing sales downtown.

The study "makes it clear that retailers can make money in downtown, especially on South Fourth Street," said Alan DeLisle, executive director of the Louisville Downtown Development Corp.

The agency is targeting the the two blocks just north of Fourth Street Live! — the 500 and 600 blocks of Fourth between Broadway and Muhammad Ali Boulevard that historically has been a center of commercial activity for Louisville.

The area has fallen on harder times in recent decades, as suburban shopping malls dried up retail business downtown. Now, a few restaurants and small shops are sprinkled among the closed storefronts.

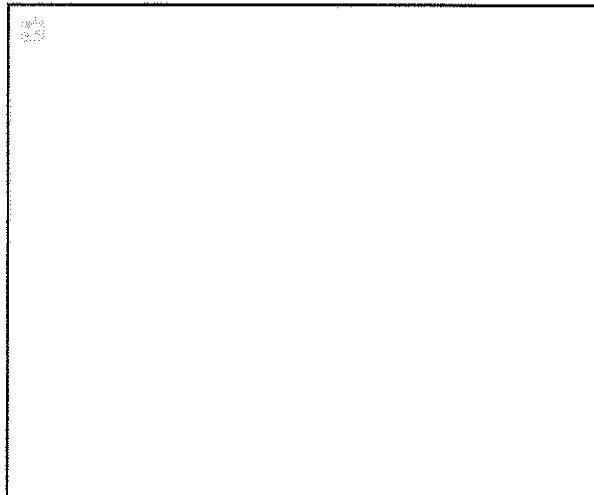
But downtown officials see opportunity in those empty spaces.

A consultant hired by the corporation, Rick Hill of Village Solutions, has identified dozens of potential tenants for Fourth Street, including both national and locally based specialty stores and restaurants that would be new to downtown Louisville.

Among Hill's candidates are establishments similar to Bar Louie of Glenview, Ill., Benefit Cosmetics of San Francisco, Hyde Park Prime Steakhouse in Beechwood, Ohio, the Calypso boutique fashion store on Long Island, N.Y., the Lush bath and beauty shop in Vancouver, and the Texas de Brazil restaurant in Dallas.

Hill also identified local Louisville businesses he said would be a good fit for Fourth Street, including: Blue Dog Bakery on Frankfort Avenue, Les Filles Boutique in Westport Village, Celebrations women's fashions on Brownsboro Road, Clay & Cotton on Bardstown Road, Lynn's Paradise Cafe on Barret Avenue and Patina Interiors

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on Herr Lane.

DeLisle said his organization has identified, and already contacted, about 50 businesses that fit Hill's profile for potential Fourth Street tenants. He declined to name them and said many are not ones suggested by Hill.

To help make the area more appealing to prospective businesses and patrons, a streetscape improvement plan is being developed that would include sidewalks, lighting and signs, although funding sources remain uncertain.

Local business owners say they are excited about the possibilities.

George Stinson, co-owner of the Marketplace, a retail and office complex operating in the old Kentucky Theatre on Fourth Street near the Brown Hotel, said Fourth Street "absolutely has the potential" to be a revitalized commercial center, primarily with locally owned businesses.

He's among the investors who spent about \$2 million several years ago renovating the Kentucky Theatre building, which is now fully occupied, with a restaurant, wine shop, bagel shop, yoga studio and law office.

DeLisle said his agency also is developing financial tools to help downtown property owners with project financing. The intent is to help retailers reduce the risk of opening a new business, he said. One idea would be to round up a pool of public and private

money that could be tapped for low-cost or forgiveable loans, or to develop a revolving fund.

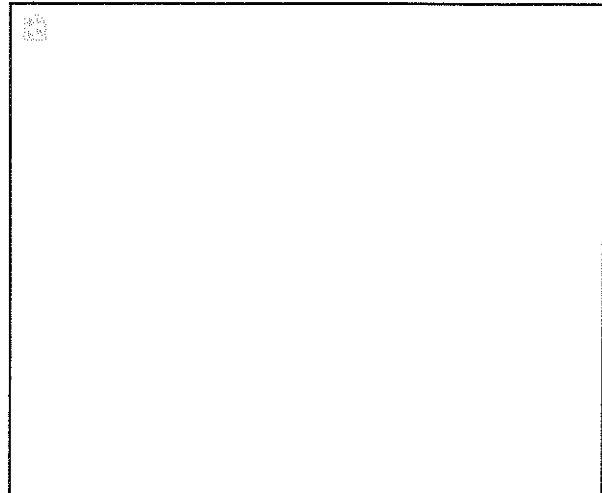
Chris Poynter, Mayor Greg Fischer's spokesman, said the administration believes that Fourth Street "definitely has the potential" to become a thriving commercial district.

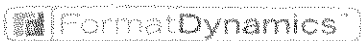
"You have to begin with a plan, and that is what we have now," Poynter said. "The next matter is to start recruiting the businesses."

Although the city budget is tight, Poynter said that Fischer, if money can be found, would consider investing in streetscape upgrades along Fourth Street, as well as perhaps in some loan fund to use for incentives. Private investment usually follows public improvements, he noted.

DeLisle said he believes Hill's plan for Fourth Street "does an excellent job of matching the retail market in downtown to the merchandising plan."

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He said the envisioned retail concept should not require a huge investment from government, adding that “we are speaking to potential tenants now and have been throughout the study.”

DeLisle said the downtown officials hope by the end of 2012 to have lined up funds for street improvements along Fourth, for a loan fund and for any needed improvements for Fourth Street parking and security.

Earlier this year, the DeLisle’s downtown agency and Hill set out to determine the retail sales potential for Louisville’s urban core. Hill conducted a retail market study that concluded:

- Downtown Louisville has existing annual retail sales of \$235 million, with the potential to reach \$450 million.
- The 500 and 600 blocks of Fourth Street are the best downtown sites to focus retail efforts because of their scale, historical retail association and assets, which include the Seelbach and Brown hotels, the Palace and Brown theaters, a major employer in Kindred Healthcare and a nearby major entertainment hub in 4th Street Live.
- While substantial vacant space exists in buildings along Fourth, the 500 and 600 blocks may be able to absorb as much as 200,000 square feet of new specialty retailing, restaurants and entertainment outlets in the next several years.

The study suggested four new

establishments as cornerstones of the envisioned commercial corridor: a recording studio, an upscale movie theater, a major performance venue and an artists’ cooperative with galleries.

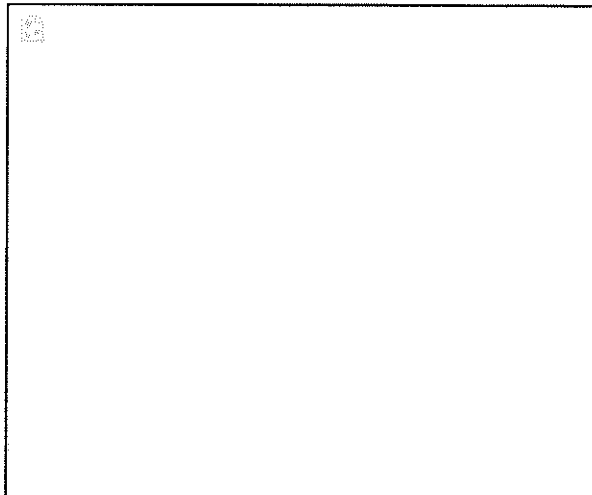
The consultant suggested that specialty shops and restaurants would make Fourth Street different, and perhaps not put it in competition with other local commercial districts along East Market Street, Bardstown Road and Frankfort Avenue.

In addition to Hill’s findings, the Louisville Convention & Visitors Bureau concluded in a recent Louisville Destination Development Plan that “there are only limited areas of retail in the downtown area, and this limitation is cited often as a shortcoming of the destination in terms of attracting visitors.”

As such, the successful implementation of a downtown retail district is even more important, DeLisle said.

Downtown officials are using Hill’s list of

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possible one-of-a-kind tenants as a starting point for a focused recruiting effort.

DeLisle said the downtown agency plans to work with an advisory committee being set up that includes property owners, tenants and other stakeholders along Fourth. And he said contacts are planned with primarily local entrepreneurs who might “want to have a physical retail presence on South Fourth Street.”

DeLisle said the corporation plans to “put together a team” to work on tenant recruitment.

The Cordish Co. has recently signed two major bar-restaurants — PBR Louisville, where a mechanical bull will be featured, and Gordon Biersch, a microbrewery and pub — to fill a large blocks of vacant at 4th Street Live.

Mike Leonard, an executive with Hogan Real Estate, Cordish’s Louisville partner in the 8-year-old entertainment center in the 400 block of Fourth Street, said 4th Street Live is having its best year in terms of attendance. It recently has been drawing more than 4 million people annually.

“The constant upgrade in tenancy and reinvestment area a major part of the reason for this continued success,” he said.

And Leonard indicated he sees a bright future for Fourth Street, noting “change is absolutely essential, if we are going to maintain the vitality of the district.”

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