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'You can't get blood from a stone': DFW business incubator gets creative with rent to keep tenants open

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Terry Toomey wants to make sure COVID-19 doesn't wipe out the progress the Grow DeSoto Market Place has made the past couple of years.

While people remain hesitant to venture outside their homes as the pandemic rages in North Texas, Toomey said the market place won't evict tenants. The market place is also adjusting rent based on the amount of sales the tenant is generating.

"If you talk to other retailers, their landlords are threatening to evict them," Toomey said. "You can't get blood from a stone. If people don't have money, they can't pay their rent. This isn't rocket science."

Toomey is the executive director of the Industry Hub, a nonprofit that helps business incubators get started in small and medium cities. The Grow DeSoto Market Place has seven restaurant spaces, 24 retail spaces and 18 office spaces. The incubator is about 60 to 80 percent occupied, Toomey said.

The facility sits in a site that used to be anchored by an Ace Hardware store. The concept was conceived by city leaders who, instead of attracting another big retail



JAKE DEAN

Kira Buckley, co-owner of HeyyHealer, talks with customers at the company's location inside the Grow DeSoto Market Place.

customer, wanted to build a place to let DeSoto small businesses grow.

The market place already has low rent rates — starting at \$350 a month including WiFi and utilities for a retail space, for example — but some tenants weren't allowed to be open for a multi-week period by government decree.

For the time being, the incubator is using a 'pay what you can' rent structure. It works with each tenant to see how much rent they can pay based on the amount of sales each business is generating. It's not forgiveness, but delayed rent. Payment negotiations will commence as the economy recovers.

No training from an incubator could fully prepare businesses on how to handle a once-in-a-century pandemic. When COVID-19 started shutting down North Texas, that forced the small businesses in the market place to adapt.

Kira Buckley and Portia Andrews describe their business, HeyyHealer, as a holistic apothecary. The business sells things like herbs and handmade products, and provides a space for people to meditate and do yoga.

HeyyHealer quickly adapted and started focusing on e-commerce, delivery and curbside pickups for its products. Still, sales dropped off 75 to 85 percent, Andrews said.

"If we can make it through this, we can make it through anything," Andrews said.

Since the market place opened back up a few weeks ago, many vendors have actually seen a rise in foot traffic compared to before COVID-19.

Ronny Pettigrew sells culturally inspired clothing at his store, AseRonnyJ Fashions, like African and black empowerment clothing. Pettigrew, a 20-year IT veteran, set up shop in the market place in December 2018.

Pettigrew attributed the uptick in traffic to people being cooped up for months and wanting to get out, but also wanting to stay close to home.

"Even the people who would frequent the establishment noticed all the increased traffic. They're like, 'What's going on?'" said Pettigrew, who pegged the traffic increase at 70 percent compared to before the pandemic.

He said when the market place was closed down, he would come to check on his store and always notice long lines at the restaurants on site.

The restaurants have always been a big draw for the market place, and were allowed to remain open for takeout during the shutdown. Even Carlonda Marshall is surprised about the traffic spike for her restaurant, 2 Neighbors Hot Chicken.

Marshall said before the pandemic, her restaurant, which specializes in Nashville-style hot chicken, did between 25-30 tickets a day. In the last few weeks, she said 2 Neighbors Hot Chicken is averaging over 200 orders a day and during peak times people will wait an hour and 45 minutes.

"With a lot of other businesses being closed, there's nothing else to do but to eat," said Marshall, adding that people are making an effort to support small, black-owned businesses.

The most popular item on her menu is the spicy chicken sandwich — made with varying levels of spiciness based on preference — on top of a brioche bun with coleslaw and pickles.

Because of the traffic uptick, she went from two to seven employees and increased frying capacity. She wants to franchise her restaurant across DFW in the coming years.

"Always have a Plan B," Marshall said about lessons she's learned the past few months. "Online ordering, which was something I didn't have, breaking off into different delivery services — have multiple strings so your business can keep running."

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