

Rethink retail-only, businesses told

STEVE PAINTER ARKANSAS DEMOCRAT-GAZETTE

SPRINGDALE — Nearerterm prospects for new retail development appear bleak as a result of the weak economy, but “destination” centers that provide an experience that goes beyond shopping have the best chance for success, business leaders were told Wednesday.

The Northwest Arkansas Economic Summit, sponsored by the Springdale **Chamber of Commerce**, attracted businessmen from across the region to hear strategies for surviving the recession.

Paul Esterer, founder and chief executive officer of Vanadis 3 Cos. LLC, a development company with offices in Bentonville and North Little Rock, said the “experience economy” is becoming more of a factor in attracting shoppers.

“It’s the packaging of your town that is so important,” said Esterer, who also is an executive broker and managing member of Grubb & Ellis/Solomon Partners, a real estate brokerage and management firm with offices in the same two cities.

The Pinnacle Hills Promenade in Rogers in effect recreated a downtown shopping experience, he said, and the region in general could benefit from four or five more districts similar to Fayetteville’s Dickson Street.

Esterer said the state could help with economic development incentives for parks, trails and entertainment events.

Charles Hodges, a partner in Hodges & Associates PLLC of Dallas, said shoppers — especially those from the post-World War II baby boom generation — developed a “bunker mentality” when the recession hit.

His own firm, which is working with the Springdale **chamber** on a development plan for the area around Arvest Ballpark, has shrunk from 55 to 25 employees.

Baby boomers accumulated more wealth than any previous generation, he said, but is now “locked up.”

“My group is done. We’re done with conspicuous consumption,” he said.

But Hodges said Northwest Arkansas is well-positioned with a young population, and that even “tweens” and 9- and 10-year-olds are buying electronics.

“Who’s made Apple hot? It’s not the 35-to-50s,” he said. Apple Inc. is the make of such popular electronic products as the iPhone, iPod and Mac computers.

Perry Webb, president and chief executive officer of the Springdale **chamber**, said he sees a “nonfocus” on economic development incentives from the state level.

Locally, he said, Springdale is the last of the large cities in Northwest Arkansas to develop its retail business but can learn from the other cities’ experiences.

“We have to make an advantage out of being the last one to go,” he said.

However, he said, retailers are not making any moves in the current economy, and the **chamber** wants to make the biggest impact possible.

“Patience is the absolutely most critical aspect right now,” he said.

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