

Watching Out for the Little Guys Downtown

Study Says Small Businesses Need Montgomery's Help To Compete With Newcomers

By NANCY TREJOS
Washington Post Staff Writer

Rapidly rising rents, construction-related disruptions and a changing clientele have hurt small businesses in downtown Silver Spring while major franchises and corporations have thrived, according to a University of Maryland study.

To keep small, independently owned businesses from leaving Silver Spring, Montgomery County should set aside affordable retail space and give temporary rent subsidies, the study said.

Over three months, 10 students and two professors from the University of Maryland's School of Architecture, Planning and Preservation and its School of Public Policy tackled a problem that county officials have also been trying to address: Now that downtown Silver Spring has gone from shabby to chic, with such big-name chains as Starbucks and Borders, what will become of the original merchants?

"When you get revitalization like what's happening in Silver Spring, a lot of these small businesses and ethnic businesses get squeezed out," said Marie Howland, a University of Maryland urban studies and planning professor who oversaw the study.

Through interviews with county officials and survey responses from 27 independent store owners or managers, the team also found that inadequate communication between the government and merchants during the redevelopment process has hurt small businesses.

Among 24 recommendations presented to the County Council's Planning, Housing and Economic Development Committee this summer are that the county create a small-business advocacy office, subsidize rents and allow several developers to build in the area to create more competition in the retail rental market.

"There's a commitment [small businesses] have made to the community," said researcher Jason Sartori, 30, who is working on a master's in community planning. "Now it would be great if the community could make that commitment to them."

Once a booming commercial center, Silver Spring began losing its appeal in the 1960s. Around that time, stores and shoppers departed for large shopping malls, leaving behind the pawn shops and discount clothing stores that dominated the landscape through the 1980s.

The tide began to turn in the 1990s when the National Oceanic and Atmospheric Administration and City Place Mall arrived. In 1995, County Executive Douglas M. Duncan (D) promised to revitalize the 22-acre downtown core. In 2000, Whole Foods Market arrived, as well as the headquarters for Discovery Communications. Then came such restaurants as Austin Grill.

In the process, some small businesses, many of them run by immigrants, relocated or shut down, citing the shortage of parking and high rents as reasons for leaving. County officials have made some efforts to help shop owners. For example, last year, the County Council began a program to give out



Owner John Eshun greets first-time customer Felicia Gaston, with regular Loyce Grigsby, at Vicino Ristorante. Eshun says he is hopeful he can hold his own against big-name restaurants that have moved to Silver Spring.

\$100,000 in grants to businesses adversely affected by the revitalization efforts in such places as Silver Spring, Wheaton and Bethesda. The county also has helped such businesses with relocation expenses and marketing.

"Small businesses are the primary generator of jobs in Montgomery County and the country, and we need to make sure we have a vibrant small-business community," said County Council member Steven A. Silverman (D-At Large), chairman of the committee that met with the University of Maryland researchers. "They also tend to be more reflective of the community as a whole."

Silverman did not discount the advice the students offered but said some of the recommendations would not be financially feasible.

"I think it's unlikely that we would be doing rent subsidies," Silverman said. "What's more likely is that we would be beefing up dollars going to marketing their businesses, relocation expenses, possibly the creation of more commercial space for small businesses."

The study has some critics among the business community, who argue that the redevelopment has helped small retailers.

Tom Collins, immediate past chairman of the Greater Silver Spring Chamber of Commerce, said it is unfair to blame revitalization for some stores' failures.

"Being in business is a challenge, and some businesses that are not in areas of redevelopment fail," said Collins, who owns Atlantech Online, an Internet service provider on Wayne Avenue that has 38 employees. "Businesses all around the country are start-

ing every day, and there are some going out of business every day whether there's redevelopment or not."

Carmen Camacho, who succeeded Collins as president of the Chamber of Commerce, said she has not reinvented her business, Bud Miller Associates, 15 times in its nearly 30 years. At first, she concentrated on making and selling promotional items, such as bumper stickers, tote bags and pens. In the past seven years, they have shifted their focus to producing plaques and trophies. "We have to change with the market," she said.

Camacho, who owns the building on Sligo Avenue that houses her business, said she is opposed to rent subsidies, even temporary ones. "I have to be realistic when we start to subsidize businesses, we don't think the taxpayer is going to lose money on subsidies."

Both Camacho and Collins said the increase in foot traffic has helped them.

But John Eshun, owner of Vicino Ristorante on Sligo Avenue for 15 years, said he has seen a change since the bigger, chain restaurants moved into the neighborhood, and it hasn't all been better. Although Eshun's restaurant is a block from the main redevelopment area, he said on occasions such as Valentine's Day, Mother's Day and New Year's Eve are not as busy as they used to be. Still, he said, he has been able to maintain a group of customers, filling him with confidence that the revitalization eventually will bring in more customers.

"Obviously, our customers will go to the big chain restaurants," he said. "But the small businesses will stay back."