



INCUBATING SMALL BUSINESS AT MERCADO

By James Reel

Would-be developers of Downtown and the Rio Nuevo project have long argued a chicken-or-egg question: Is it first necessary to install residents who will then support Downtown business, or should new businesses arrive first, to lure residents?

The Gadsden Company is siding with the egg—and planning to hatch one, not lay one. Its Mercado San Agustín has broken ground in the Rio Nuevo area west of I-10, and is slated to open with a dozen shops this fall as the area's first new commercial space. The 14,000-square-foot project at 844 W. Congress St. should be complete even before the adjoining 99-home Mercado District of Menlo Park luxury housing development will be feeding customers to it.

(There are family connections between the Gadsden Company and the developers of the residential Mercado District of Menlo Park. And just to be on the safe side, the Gadsden Company is vying to develop another 14 acres of adjacent residential property, too.)

Kira Dixon-Weinstein, the Mercado's executive director, isn't worried that the businesses will lack a customer base; one already exists right across Congress Street. "This is in Menlo Park, a very established and old and proud neighborhood," she says. "The people are already there."

Mercado San Agustín will eventually embrace 18 to 20 small businesses, ranging from a full-service restaurant and a convenience store to little vendor stalls. As it turns out, most of the first dozen businesses have Hispanic ownership.

"That's just an accident of how things shaped up," says Dixon-Weinstein. "I think Hispanics have a cultural mindset for small-business ownership, and with our broad Hispanic base in Tucson, this is a perfect opportunity to take advantage of that."

For this project, the Gadsden Company isn't merely a developer and landlord; it's active as a small-business incubator. In partnership with the United Way of Tucson and the Southern Arizona and MicroBusiness Advancement Center, it established the Mercado San Agustín Philanthropic Fund. Its stated goal is "to support the development of future vendors from within Tucson's diverse local community by connecting aspiring business owners with appropriate educational, technical and financial resources. For example, the fund can supply seed money, defray tuition costs or provide time in a commercial kitchen. This fund can help a member of our community realize a dream. Mercado San Agustín will help ensure that our city center rests on the foundation of its people."

Felicia Escoboza has benefited from this program, having gotten management training from the MicroBusiness Center. Escoboza is enthusiastic about the program, which she says has helped her "orient myself and have what I need to start a new business." She'll be opening El Tutu Taqueria, a lunch and dinner spot, in the fall.

The Mercado will emulate a Territorial public market, with several buildings huddled around an interior public courtyard. "It will feel like something in the old barrio," says

Dixon-Weinstein. "People can meander in and out of the buildings, doing their shopping and eating and socializing and being entertained. It should feel festive and authentic."

She acknowledges that small, family-owned businesses, wherever they may be, are difficult to establish and stabilize, but Dixon-Weinstein says that several of the Mercado entrepreneurs will have an advantage thanks to their training through the Philanthropic Fund, and that she's careful to approve tenants with the best likelihood of success: "We're hand-selecting people we think will have a good chance, based on their work experience, their life experience, their family network ... people who are willing to go into business-training classes and work hard and apply for bank loans and are willing to do the legwork, and who we think have a viable product."

Furthermore, she's trying to make the vendor space economical, to reduce the start-ups' financial stress. While she declines to compare her rental rates to those elsewhere Downtown and beyond, Dixon-Weinstein says that Mercado businesses can save money and prevent bureaucratic hassle by sharing common facilities, including a commercial kitchen that food vendors can rent by the hour. "The plus in a public market is you don't have to worry about parking, bathrooms, ADA, the things that bury people in paperwork," she says.

The development is touting its green components, including roof-mounted photovoltaic systems and 100-percent solar-powered exterior lighting; rainwater harvesting with a 5,000-gallon underground cistern and solar-powered pumps, plus a passive subsurface irrigation system; and a hardscape of alternative materials including grassy and gravel pavers to reduce storm-water runoff and irrigation needs.

Initial tenants will include Casa Marita Restaurante Argentino, an Argentine-style bar-becue restaurant operated by Vicente Sanchez and Marita Gomez, the owners of Casa Vicente; a second location for Menlo Park's Sonora Snow Cones; a floral art stand; a convenience store; a coffee shop; Escoboza's taqueria; a farmers' co-op run in conjunction with Tucson Community Supported Agriculture; and stalls devoted to Mexican imports, Salvadoran cuisine, specialty cakes and pastries, and Mexican candies.

Escoboza sees the Mercado as a prime location for her taqueria; she expects the development to "attract foot traffic and a lot of tourists to the area."

Dixon-Weinstein, asked whether she sees the Mercado as primarily a tourist destination or a service to the neighbors, says, "There has to be a balance where there's an opportunity for all sorts of people to find something there—affordable tacos, but also nice silver jewelry. A public market should be a place for people of all income brackets, people walking over from their homes to pick up butter, or people driving down from the foothills to show their guests something authentic and real that's happening in Tucson."

"This is really a place that will become whatever Tucson wants it to be. Even though it's privately developed, it's a public institution. It'll be as good as Tucson is."