CRAIN'S CLEVELAND BUSINESS

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Downtown Cleveland retailers express support for protesters, concerns about the city center's ability to rebound

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Dozens of downtown Cleveland stores and restaurants were boarded up, including Cleveland Clothing Co., after peaceful protests turned destructive.

They're sorting through a jumble of emotions in the wake of rioting that damaged at least 77 stores and restaurants. Public officials and corporate leaders are in early talks about ways to help retailers reopen.

Customers were dining Saturday evening, May 30, at Zanzibar on Prospect Avenue when a rioter started slamming a baseball bat into the restaurant's windows.

Employees and patrons joined owner Johnny Hutton, screaming, "Black-owned business! Don't touch!" to ward off vandals wielding bricks and other projectiles.

Hutton, 54, is the son of a Cleveland police officer and one of only a handful of black business owners in the city's central business district. Late last week, he was sorting through a jumble of emotions — frustration and anxiety among them — surrounding the death of George Floyd at the hands of a Minneapolis police officer and a peaceful downtown demonstration that devolved into a riot, leaving dozens of Cleveland stores and eateries boarded up.

"As a business owner, it's hard for me to see destruction of property," Hutton said.

Yet he couldn't completely condemn the violence.

"I definitely feel the anger," he said. "And to those that were doing it out of the anger for what was happening, I probably feel empathy for that."

As they cleared debris and tallied lost inventory last week, downtown retailers stressed their support for the protesters and the fight against systemic racism. Some felt uncomfortable even discussing the damage to their businesses, for fear of seeming mercenary and detracting from a weightier, urgent conversation about entrenched discrimination and police use of force.

Retailers — and property owners — are apprehensive. They're worried that rioting, in the middle of a pandemic, will further delay the return of office workers, business travelers and shoppers to the streets. That vacancy will climb. That a once-resurgent downtown could be on shaky ground, between the coronavirus and civil unrest.

"We need to be able to open," Hutton said. "I think that the message needs to get out, both from a physical standpoint and a verbal standpoint, that it's safe to come downtown."

As of Friday morning, June 5, the nonprofit Downtown Cleveland Alliance reported damage to 77 businesses. Many shops and restaurants remained closed.

Public officials and corporate leaders are in early talks about ways to help retailers reopen. The city, which launched an emergency working capital fund to help businesses survive coronavirus-related pain, hasn't announced any aid to address vandalism and looting.

"Obviously, the city and the Downtown Cleveland Alliance and the business community and, quite frankly, banks and other folks need to put down any bureaucracy or any roadblocks to clear the way to provide support for these businesses. Hard stop," said city councilman Kerry McCormack, who represents much of downtown. "We need to be doing everything we can to support these small businesses."

HFLA of Northeast Ohio, a nonprofit lender based in Beachwood, quickly rolled out a disaster relief loan program for businesses that sustained riot damage. Companies can apply for interest-free loans of up to \$10,000 to cover immediate costs while an insurance claim is pending or to pay expenses including deductibles.

Michal Marcus, executive director of the 116-year-old organization, said HFLA typically works with clients who can't get conventional loans. Most downtown retailers don't meet that metric. In this case, though, HFLA wanted to make sure small businesses that already are

struggling had swift access to funds so vandalism doesn't lead to more vacancy.

"Ground-floor establishments suffered the most, and they were the ones that were already suffering," said Joe Roman, CEO of the Greater Cleveland Partnership. "That tandem of experiences, I think, is going to result in a very long rebuild for downtown. Hopefully, we can figure out a way to provide financial assistance."

At the end of 2019, downtown's retail vacancy rate was just over 11%, according to the CBRE Group Inc. real estate brokerage. That figure doesn't account, though, for dozens of empty storefronts that aren't being marketed because they're earmarked for eventual redevelopment. This year, a few large restaurants have closed, largely due to financial woes that predated the pandemic.

Some businesses, including Zanzibar, which already had a robust takeout and delivery operation, managed to stay open during March and April. Others returned in mid-May, only to shut down again as a result of the riot and a city-imposed curfew that required a near-lockdown of downtown for the first half of last week.

"This is definitely going to be a major, major setback," said Dominic Fanelli, owner of the Chocolate Bar restaurant on Euclid Avenue. "I think everybody's going 24 hours at a time."

Fanelli was baffled by the vandalism, and what felt like a lack of policing on Euclid, after watching the city's relatively smooth handling of past protests over police actions and the 2016 Republican National Convention. He and other business owners said they've received little

in the way of reassurances from City Hall, leaving them uncertain about whether to fear another wave of window-breaking, graffiti and theft.

"I do think something broke down on Saturday," McCormack acknowledged. "That said, the city does have a long track record of enabling peaceful demonstrations with very little physical or property damage. So business owners went into the weekend thinking this probably wouldn't happen."

Jewelry-maker and W Gallery owner Margeaux Wymer was in Mentor, helping to build a gazebo, when she received an alert from her security camera system at the 5th Street Arcades. On her phone, she watched as vandals ran through the historic retail corridors and used handhewn baseball bats from the nearby Johnnyville Woods store to smash windows.

She's unsure whether she'll be able to reopen her brick-and-mortar business.

"Without coronavirus, my answer would be completely different," said Wymer, who is shifting her attention to her online store. "But right now, it's extremely difficult to answer that question. Right now, we don't have visitors. We don't have baseball games. We don't have concerts. ... People already aren't coming downtown. So how do you get them, after coronavirus and what happened on Saturday, to come down and feel safe?"

The arcades, which run between Euclid and Prospect, are completely closed. A public reopening is tentatively scheduled for Monday, June

15.

Popcorn shop owner Chrissie Fahey, who opened her Kernels by Chrissie store at the arcades six years ago, said she's similarly concerned about the ability of downtown retail to rebound. But she's committed to reopening and to being part of the recovery.

"This, too, shall pass," she said. "However long it takes, it will take."

Fahey's husband, Patrick, was closing up the shop when rioters started making their way down Euclid, throwing bricks through the storefront. At times, he spoke to the people who reached inside to grab popcorn or drinks from the cooler. He reassured them that he was listening. That he heard what they were saying. That he was on their side.

"It is terrible," Fahey said of the vandalism, "but there's a greater problem at hand. ... Obviously, the community is just so frustrated and so enraged at this point that the looting and the vandalism came out in the wake of that. If we as a business can't rally behind that, if we as people, business owners, part of the Cleveland community, don't wake up and see that as a call to action, a call to educate ourselves and a call to really try to do more to rid society of these injustices, we're really kind of part of the problem."

Inline Play

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