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A retail incubator inside the historic Selden Arcade perseveres brick-and-mortar headwinds

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Stephanie Dietz is the chef and owner of Doughminion Donuts at the Selden Market in downtown Norfolk, Friday, Nov.10, 2017.



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Anna Wagner, manager of the toy store, POP at Selden Market in downtown Norfolk, Friday, Nov.10, 2017 as she unpacks "surf tiles" that will cover the floor of their shop.



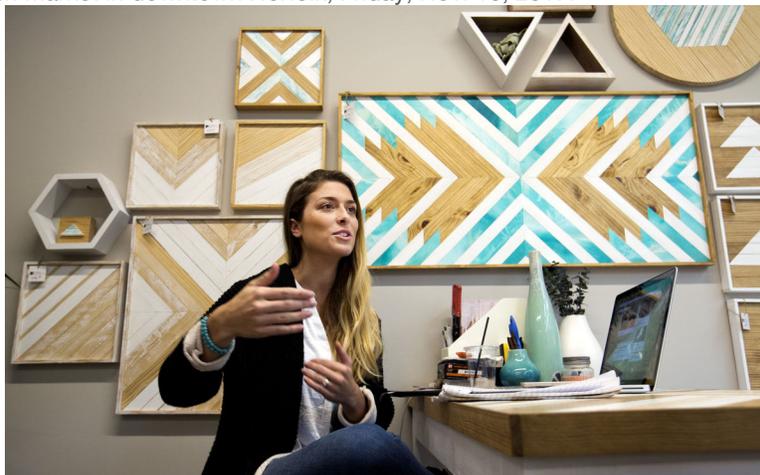
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Derek Shaw stitches a leather zipper bag in his shop at the Selden Market in downtown Norfolk, Friday, Nov.10, 2017. He and his cousin have the shop Werther Leather Goods.



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Dusty and Barbara Rhoads visiting Norfolk from Annapolis, Maryland, pause as they make their way through the Selden Market in downtown Norfolk, Friday, Nov. 10, 2017.



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Cori Werrell talks about the business Werrell Woodworks she owns with her husband Sam Werrell at the Selden Market in downtown Norfolk, Friday, Nov. 10, 2017.

NORFOLK

After two years behind metal armor, the historic downtown Selden Arcade has shed the scaffolding.

Inside the 1930s building, sunlight pours through the glass entrance facing Main Street, brightening the corridor where Derek Shaw's storefront has operated for a month. Before the facade support came down at the beginning of November, the building was gloomier, and the construction at the door didn't help get the word out that more than a dozen new businesses were open inside.

Against the odds for downtown retail, a handful of small shops such as Shaw's are making a go of it inside the arcade, a narrow building between the Slover Library and The Main hotel-conference center that has long been empty. The businesses within are part of a new retail incubator called Selden Market, an effort to support local startups and offer more shopping downtown. The Downtown Norfolk Council oversees the project.

A mix of tenants – selling doughnuts, soap, jewelry, decor and toys – have filled the space since Oct. 4, paying low rent for short-term leases. The program provides them with mentors and business courses, such as bookkeeping. The goal is to create a springboard for moving into permanent spaces elsewhere in Norfolk.

It's an environment that allows entrepreneurs to experiment, said market director Careyann Weinberg. None of the vendors have dropped out, she said, but some are making changes to their inventory and workflow based on their new experience. Spotted Fig Pastries, for example, signed on for one of the longer pop-up booths. After trying to juggle the hours, it became clear the owner needed to tweak the business model. Now the baked goods are being sold in one of the other incubator retailers, Vessel Craft Coffee.

Shaw, whose Werther Leather Goods has operated out of his house under another name for seven years, is feeling optimistic about his space, the one closest to the uncovered windows and opposite the hotel connector. Though some weekdays are slow, he said, his overhead is low: Two wallet sales are almost equal to his monthly rent.

The store is the next step in expanding his business, which has been online until now. He has a mostly national customer base, using fashion bloggers and social media to market his products.

“I’ve been the local guy making wallets, but nobody here knew about me,” he said.

Since going brick-and-mortar, he’s faced new challenges. The incubator brought in a merchandiser to consult with the store owners. Everything from how high to mount his shelves to the importance of price tags – yes, someone had to tell him to add prices – were concerns he had not considered.

“I didn’t know I had to bring in plants,” said Shaw, who shares his store with cousin Aaron McLellan, founder of North End Bag Co.

Each of the incubator spaces rents from \$225 to \$325 per month with six-month leases. Spaces for “mentors,” established businesses that can share expertise with the startups, are \$550 to \$900 per month with one-year leases and optional renewals. Pop-up booths, kiosks for testing new products or services, are \$100 per week or \$300 per month.

Norfolk bought Selden after its owner threatened to raze it in 2003. It served as a cultural arts center until April 2015, when a contractor’s strike to a power line caused an explosion in the arcade. The repairs cost the city about \$800,000, though insurance reimbursed all but \$69,000, a city spokeswoman said. The Downtown Norfolk Council is leasing the space from the city for about \$27,000 a year through September 2019.

Vendors say Saturdays have been their busiest, and customers are coming from a variety of places. They notice an uptick during events and when cruise ships dock. Guests at The Main are often browsing, they said, and the fact that people use the building as a shortcut to get to the Waterside District has been a blessing in disguise.

“One guy said it’s like an underground mall he didn’t know about,” said Cori Werrell, who co-owns Werrell Woodworks with her husband Sam.

They’re hoping the holiday season, and in particular **Small Business Saturday** on Nov. 25, will introduce new customers to the market. The onslaught of shoppers is going to be a lesson for many of the new businesses. Hillary Davenport, a jewelry maker, said in preparation for that traffic, she’s balancing the long hours of manning her booth with creating new inventory while she sits.

It might be too early to know whether the arcade will thrive. The Slover “maker studio,” a high-tech workshop planned inside, isn’t completed, and the anchor spaces facing the streets aren’t all filled. City Council approved a lease Tuesday for a new tenant in the former Starbucks space on Plume. Revenge Creamery, a

partnership between the owners of Pendulum Fine Meats and Alkaline, will open in April serving ice cream and sandwiches.

For Stephanie Dietz, owner of incubator business Doughminion Donuts, success depends on getting creative with the marketing. On Drake's birthday, Dietz made special doughnuts inspired by the rapper. The promotion generated buzz from TV and radio stations, she said, which helped introduce her giant yeast and old-fashioned doughnuts to new customers.

Verrandall Tucker, who owns Details on Granby, popped into the arcade a week ago to scope out the flavors.

"Today's my cheat day," he said. "It'll probably be pistachio."

Customers like Tucker are exactly who she wants to cultivate into regulars: people who work downtown.

"I just think (the market needs) awareness," she said. "I know a lot of people are set in their routines – if people would just try us one day and switch up that routine."

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