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## Officials Make Push for Nashville Entrepreneurs to Stay Downtown

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Downtown boosters and business leaders are exploring how to keep entrepreneurs in the heart of Nashville as the city churns out more startup companies.

It's an issue that's part economic and part cultural, and one that proponents of downtown say could mean potent long-term growth.

Entrepreneurs are starting companies that, while small, can grow quickly and lead to strongly rooted businesses for decades to come. In the meantime, they contribute to the downtown vibe: exchanging ideas, hiring young people on the cutting edge and frequenting area establishments themselves.

"Recruiting and retaining entrepreneurial businesses downtown is imperative to the growth and strength of the economy," said Tamara Dickson, vice president of economic development for the Nashville Downtown Partnership.

The partnership and others are touting the concept of the "creative class" in Nashville, and talk is just beginning to circulate about how to get more of them to stay downtown, with specific initiatives and discussions with the real estate community and others to follow.

So, what are the challenges? It comes down to costs and logistics that can be far more difficult, advocates and business leaders say, for startups that are strapped for cash or struggling to predict space needs.

Michael Burcham, president and CEO of the Nashville Entrepreneur Center, said the city needs more transitional space for such ventures. The center, which grooms startups for investment, provides space that must ultimately go to others, he said, and traditional commercial real estate can be difficult.

Startups sometimes have to quickly grow, and commercial real estate of any size can be cost prohibitive.

“It’s one of the missing parts of our system,” Burcham said.

“Co-location” spaces, such as CoLab downtown and EISpaces on Harding Pike, offer one solution, Burcham and various business leaders said. They offer flexible office space for rent that can service a single entrepreneur or a growing staff until a company can move into larger space.

CoLab has circulated about 75 companies through its doors since opening in January of 2010, said Kailey Hussey, community director. Part of the battle, she said, was explaining what CoLab was and how it could change downtown culture, but now entrepreneurial advocates say more such space is necessary.

Gabriel McCauley said downtown has grown on him because of CoLab. The founder of Lil Dragon, a Nashville video production company, came to CoLab because of a relationship with another business tenant, but has stayed because he’s enjoyed downtown and found a benefit to the energy and networking opportunities around him.

Parking, logistics and cost are all likely reasons why sticking around downtown will be an important decision for the future, and one that would have led him elsewhere if not for CoLab.

“I think part of the initial step in coming downtown was a little bit of ... what’s it going to be like?” McCauley said.

Dickson said encouraging affordable and flexible leasing is key. Stakeholders such as the partnership, the Entrepreneur Center and others plan to develop ideas for how to encourage those or other options to a greater degree.

Ultimately, the downtown issue is a piece — albeit a critical one — of the puzzle in keeping more entrepreneurs in the city. Concerns include overall economic vitality, access to capital and others, Burcham said.

RentStuff.com, a startup that offers people in urban settings a chance to rent or rent out equipment, tools, household items and other possessions, exemplifies both challenges and solutions.

Christopher Jaeger, founder and CEO, said he relocated to Chicago so the company could test out a denser market. Still, his brother and co-founder remain in Nashville, and the company will evolve from its “dual location” based on where the market, talented workers and other forces lead, Jaeger said.

While Nashville doesn't immediately have everything RentStuff needs, Jaeger said it remains a good environment. And RentStuff, for what it's worth, is using "co-location" spots in both its markets as it plots its next moves.