



THE PLAIN DEALER

Can it work in Cleveland?

Chicago's rich retail heritage lies behind the city's successful Merchandise Mart. A Medical Mart in Cleveland might be able to feed off our health-care prestige.

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Sarah Hollander
Plain Dealer Reporter

Sit. Recline. Pat the upholstery. Confer with colleagues.

For hours on end, throngs of taste makers and potential buyers tested office chairs during a recent trade show at Chicago's Merchandise Mart.

The one-on-one time could eventually land a company's 2008 model behind hundreds of desks in new or renovated office buildings.

To picture the Medical Mart proposed for Cleveland, replace ergonomic desk chairs with stethoscopes or MRI machines.

The company that operates the massive Merchandise Mart thinks a smaller mart featuring health-care products would succeed in Cleveland. And that the mart, in return, could help resuscitate the city.

Supporters envision a guaranteed stream of visitors dropping dollars at hotels, restaurants and shops.

A Medical Mart, they say, would enhance Cleveland's reputation as a health-care leader and give a solid reason for investing in a new convention center. If a mart makes Cleveland a destination for medical products, related trade shows would follow, creating built-in business for the center.

Taxpayers haven't widely supported calls for a new convention center. But Merchandise Mart executives won't come without one.

Two years into the discussions, supporters say the prognosis is encouraging.

Last week Cuyahoga County commissioners said they planned to enact a sales tax increase as early as October to pay for the center.

Merchandise Mart Properties Inc. says it has spent more than half a million dollars to research its idea and may contribute \$2.5 million more to help develop the design, build public support and find a new use for the city's existing convention center.

"The project still has tremendous momentum," Merchandise Mart executive Mark Falanga said. "Every time we talk to people about it, the more promising and real it becomes to us."

Meet the Mart showroom concept

Cleveland's Higbee Building, largely vacant and centrally located on Public Square, is the front-runner for the mart.

The former department store's wide-open spaces would be divided into year-round company showrooms for industry professionals. Imagine a sort of mall, but with showrooms instead of retail stores.

"This could work," said David LaRue of Forest City Enterprises, which owns the building. "Let's see if there's a deal to be done."

At its centers across the country, Merchandise Mart Properties combines permanent showrooms leased by companies with temporary exhibits that attract additional business through trade shows and consumer events.

At the Merchandise Mart in Chicago, for example, showrooms for gifts and residential and commercial furnishings fill the majority of space. Designers, architects and wholesale buyers visit year-round.

Two of the mart's 25 floors are reserved for temporary exhibits and meeting rooms.

Recently, at NeoCon, an annual commercial-furnishings trade show, the Merchandise Mart paired three showroom floors stocked with office chairs, desks, carpet and upholstery with the two temporary floors.

Tens of thousands of visitors wandered through permanent showrooms for industry giants like Steelcase and Henry Miller and smaller booths hawking foot rests and cabinet hardware.

"We come here because this is the one place every year to find the most things to look at," said Dan Taylor of Tennessee, a sales representative for a company that furnishes colleges.

In Cleveland, a Medical Mart would house showrooms and some exhibition space. And, once built, a convention center would supply more temporary space for related trade shows.

The Higbee Building, which housed a Dillard's department store until it closed in 2002, is especially attractive because it is attached to Tower City Center. Tower City, with its shops, restaurants, hotels and rapid train to the airport would connect to the mart and a new convention center on the Cuyahoga River.

Forest City proposed a riverfront convention center in 2003 to mixed reviews, and many unanswered questions will probably resurface in coming months. Will a center fit at that address, for example, and should tax money support a private business? Others question whether the plan would really spark an economic turnaround.

Medical Mart could import money

Supporters of the Medical Mart say benefits would spill into the community.

Marts and trade shows tend to attract a high percentage of out-of-towners, many with expense accounts.

Take NeoCon. Earlier this month, the show drew more than 52,000 people from Georgia to Japan and Maryland to Mexico.

"It's bedlam by day and party by night," said Kay Sargent, a Washington, D.C., interior designer. Sargent booked her hotel more than four months out but couldn't find a room less than a mile away.

Exhibitors usually arrive a few days before the show to set up. And attendees typically spend two to three days in town.

On opening night, a textile company booked a nightclub several blocks from the mart; a manufacturer treated clients to all the meat they could stand at a nearby Brazilian steakhouse; and smaller groups, recognizable by their show tags and bags, patronized businesses around town.

A design district has sprung up in the neighborhood, using the mart as an anchor. Fifteen stores selling everything from expensive Swedish mattresses to Asian antiques advertise together as the Chicago Furniture District.

In February, Mohamed Guerraoui moved his Moroccan housewares store to a space a block away from the mart.

"Being by the mart is definitely a good thing," he said. "I've noticed a huge difference."

Cleveland, too, has potential to grow with a mart, Falanga said.

The mart would attract new visitors. And a new convention center might encourage nonmedical groups to reconsider Cleveland, the Convention and Visitors Bureau of Greater Cleveland contends.

Ideally, more visitors would feed a demand for more downtown development.

The concept probably would be phased in, with the mart opening first and a center joining as early as 2011.

Mart may draw medical meetings

Cleveland's medical reputation, mainly through the Cleveland Clinic, grabbed Merchandise Mart Properties' interest. But the strength of the market for health-care meetings is driving the plan.

More than 550 medical shows, varying in size, niche and frequency, already exist, according to the company.

Attendance at medical trade shows rose nearly 8 percent in 2006, according to a Tradeshow Week report.

The shows are desirable, in part because medical professionals tend to take longer trips and spend more, said Michael Hart, the magazine's editor.

Hart, however, wondered if Cleveland could compete with New York, Chicago and other cities that have established themselves as popular spots for medical meetings.

Merchandise Mart Properties acknowledges that Cleveland doesn't have the appeal of a metropolis, or the beaches, gambling and great weather of some other cities. But the company feels the mart itself would be the magnet.

And Cleveland wouldn't compete for every trade show since the city isn't big enough to host all meetings.

The largest shows attract from 24,000 to more than 62,000 people and meet in cities like Chicago, New York and Las Vegas, according to a Top 10 list compiled by the Healthcare Conventions & Exhibitors Association.

Hundreds of other shows, however, would fit here, Falanga said.

The plethora of medical meetings is partially driven by requirements for continuing-education credits, said Eric Allen, executive vice president of the health exhibitors group.

"I do think it stands to continue to grow as long as scientific knowledge continues to grow," he said.

Merchandise Mart Properties thinks it can entice a critical mass of permanent showrooms partially by pitching the potential cost savings. Large companies pay to attend dozens of trade shows a year. In a mart, customers would come to them.

Michael Love, president of Nurture, Steelcase's Michigan-based health-care division, said he's enthusiastic about the possibilities. His company's showroom at the Merchandise Mart displays nursing stations, patient room couches that convert into beds, and other furniture and equipment.

"When you start thinking about it, there's really a lot that would fit there," he said. "I hope the other people feel the same way about it as I do."

Cleveland architect Ronald Reed visits the Merchandise Mart in Chicago four to five times a year, mainly with corporate clients looking for furniture. What the mart does well, he said, is offer a wide selection of products in one place and a chance to mingle with colleagues.

Cleveland is right to look beyond steel for its future, he said.

“If you want to reinvent yourself, you need to find something that’s working well,” Reed said. “And for Cleveland, that’s health care.”

Plain Dealer reporter Joan Mazzolini contributed to this story. To reach this Plain Dealer reporter: shollander@plaind.com, 216-999-4816

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