

# A Change of Heart

**SHOPPING CENTER OWNER TAKES BACK ALL THOSE NASTY THINGS HE SAID (OR AT LEAST THOUGHT) ABOUT LAUNDROMATS**

By Bob Nieman



Darrel Stadel admitted that he didn't know much about the coin laundry business – but he knew for sure that he didn't want one of them in West Plaza, the shopping center he owns in Wickenburg, Ariz.

However, he also knew that he needed to get some type of successful business into his strip mall's prime – but very vacant – endcap location.

Nearly 20 years ago, the 3,000-square-foot space had originally been a bank. But, in recent years, Stadel has scrambled to fill the storefront with a suitable tenant.

"In the mid-1990s, I put in a video store, along with a shipping business that included UPS and Federal Express, and I also had a number of small one-room offices in there that I would rent out inexpensively," said Stadel, whose entrepreneurial pursuits have included restaurants, car washes, liquors stores and scads of rental properties.

Then, about five or six years ago, when mom-and-pop video stores all across the country began taking hits from companies like Blockbuster, not to mention Redbox and Netflix, West Plaza lost its endcap tenant.

"I couldn't get anybody in there," Stadel explained. "Small town retail is tough. I would go to shopping center conventions. I tried to get Payless Shoes in there. I tried to get Starbucks. You name it. But they all looked at the demographics of Wickenburg and said, 'Come back and see us in five years, when you grow.'"

In January 2009, Stadel was approached

by a former laundry owner who wanted to open a new store in the shopping center's vacant endcap.

At first, Stadel couldn't show him the door fast enough. "I didn't want a laundromat in my shopping center," he said. "That's not retail, I thought. I wanted retail."

But the would-be suitor wasn't about to give up that easy, having come armed with all sorts of demographic studies and facts that proved what a ideal tenant self-service laundries can be.

"He gave me a copy of it and, more or less, sold me on the idea of a laundromat," Stadel said. "It brings in people, and while they're here, they can go to the CVS here or the post office or the ALCO... or any number of my tenants. It all began to make sense to me."

Unfortunately, Stadel and his potential new tenant were unable to come to a meeting of the minds as far as an acceptable rent.

But, for Stadel, the coin laundry seed had been planted. If he couldn't find a laundry owner to rent his endcap, he would open a laundromat in that space himself.

The next step was to retrofit the space to accommodate a coin laundry.

"I gutted it," said Stadel, who split the 3,000-square-foot facility, leasing out 650 square feet to the owner of a women's apparel shop and using the remainder for what is now West Plaza Green Laundry.

The entire process took about four months and cost Stadel roughly \$300,000, including the laundry equipment.

"The contractor I used has probably put in more laundromats than any contractor in Arizona, and he knew how to do them," he explained. "I've worked as a contractor, and as work goes, he did a very good job for me. He saved me money with his contacts and experience."

However, Stadel didn't want to build just any old laundromat. After all, he put "green" in the name of his new business for a reason.

So, while he was planning his West Plaza store, he could see the writing on the wall – and he knew that the "green" movement had gained a strong foothold across the nation and that it will no doubt continue to grow. He also understood the importance of water conservation in the dry desert climate of the Southwest. With these thoughts in mind, Stadel embraced sustainability with open arms, outfitting his new laundry with all of today's latest energy- and water-efficient features.

In addition to installing energy- and water-efficient washers and dryers, high-efficiency fluorescent lighting and extra insulation in the ceiling, Stadel outfitted the laundry with a cutting-edge solar heat exchange system. This system consists of 32 solar roofing panels connected to heat exchangers on the backs of the dryers. The heat exchangers are fed hot water from the solar water heating system to supply hot air to the dryers. And the excess energy generated by the solar roofing panels is sold back to the local electrical utility company.

"Very few people are using any solar,

other than maybe on their water heaters," explained Stadel, who leases his solar system for just under \$500 per month. "But they're not using it on their dryers, which is what I'm doing. I thought it was cutting edge. We're more green-conscious in Arizona than in, let's say, Iowa. They have plentiful water; we don't. We have tons of sunshine; they don't. So, consequently, solar is going to take hold in Arizona long before it ever gets to Iowa. It may not be as cost-effective there, but it's definitely cost-effective for me."

The combination of these green features, along with the laundry's bright, clean interior and friendly staff, have been a huge hit with customers, since the store's opening in November of last year.

West Plaza Green Laundry's clientele includes a large percentage of out-of-towners who annually escape to Arizona during the winter months.

"All of the snowbirds come to my laundromat," Stadel said. "We've got a lot of RV parks around here, and people will arrive in motor homes and spend the winter from about October 15 to May 15. Of course, those RV parks have two washers and two dryers for 50 or

60 spaces, so they all come here.

"Last winter, there were times on Monday, Friday and Saturday mornings where I had people in line waiting for washers and dryers. I was doing quite well January through April. If I could have maintained those sales throughout





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the entire year, I'd be on pace to do \$300,000 a year. Of course, that didn't happen. When the snowbirds left in May, it flipped the switch – I'm deadier than dead right now."

Not completely.

During the hot, lazy summer months, the store gets its share of local business.

"I get people who don't have washers and dryers in their homes, or those who live far out and have limited water resources," he said. "I also get the people in apartments who have the same problem as the RVers with limited laundry facilities."

Stadel, whose coin laundry is open 8 a.m. to 9 p.m., estimated that about 35 percent of his local customers are over 55.

To reach these customers (and potential customers), Stadel runs ads with coupons in the local newspaper and sends out flyers on a regular basis. He also has placed some spots on the local country music radio station.

But perhaps his best advertising has been positive word of mouth.

"I'm so clean," he boasted. "I've got piped-in music and DirecTV. I've got the other shopping center stores to attract people. I have great equipment. Above all, I'm service-oriented."

And he has store manager Debbie Jordan to thank for much of it.

"I was very fortunate that I hired a woman who loves the laundry business and knows it inside and out," he said. "She has forgotten more than I'll ever know about the laundry business. She worked with me, and it was coming from a voice of experience. I've never had an employee better than her. She does it all."

Stadel clearly appreciates and respects the power of customer service.

"I've operated other businesses, and the customer is number one," he said. "That's the retail business. You've got to be nice to them. You've got to greet them when they come in the door, treat them like you've known them forever. That's what people want, especially older people. That's what they expect."

And Stadel makes sure that's exactly what they get when they walk through the doors of West Plaza Green Laundry.



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