

## SpendMart

January 21, 2007

By Mike Nolan Staff writer

Is New Lenox ready to become the Southland's newest shopping destination?

Developers of two centers that could bring about 3 million square feet of retail space to the village think so.

They say the population in and around New Lenox has swelled but residents' shopping choices haven't kept up.

Some notable big-box retailers, such as Target and Lowe's, have already opened their doors in the village, and a Wal-Mart Supercenter and Menards also are in the works.

Still, there's an "absence of convenient local shopping in the New Lenox area," said Kelly Mize, spokeswoman for Zaremba Group.

Zaremba and Forest City Enterprises want to turn the intersection of U.S. 6 and Cedar Road, near the linkup of Interstates 80 and 355, into a smorgasbord of shopping options for area consumers.

What they're proposing would be, size-wise, roughly the equivalent of plunking down two Orland Square Malls, plus a few big-box stores thrown in for good measure. Neither developer has received final approval for their plans.

Zaremba would like to begin construction this summer, with an opening in fall 2008, while Forest City is eyeing a spring 2008 start.

New Lenox and nearby towns such as Homer Glen, Joliet and Lockport have added tens of thousands of residents in recent years, and that population expansion is expected to continue. Will County is one of the nation's fastest-growing counties.

It's that "explosive" growth, particularly among more affluent households, that is attracting retailers to the area, according to George Capper, a commercial real estate broker and expert on the Southland retailing market.

Zaremba, on its Web site, said that there are about 34,800 households in a five-mile radius of its planned New Lenox project, called Cedar Crossings, with an average annual household income of nearly \$89,000.

"To think there could be a lot of retail there (in New Lenox) does not stretch the imagination at all," Capper, a Palos Park resident, said.

It won't happen overnight, however, and the developers of both centers see their projects being completed in phases. Also, the timetable for finishing the I-355 extension will likely be a big factor in when the first tenants open their doors.

"It takes years for these things (large retail projects) to happen," said Andy Bulson, vice president of Mid-America Real Estate Group. The Oakbrook Terrace company develops and runs shopping centers throughout the Midwest and is behind Tinley Park's downtown redevelopment project.

He described the New Lenox area as "ripe for retail development." The expressway construction brings improved access to the area, which will be a major attraction for retailers, Bulson said.

"There's the ability to draw (shoppers) from well beyond the immediate area," he said.

Spurred by massive retail projects in the suburbs and expansion plans of big-box retailers, 2006 was one of the best years in recent history for retail development in the Chicago area, according to Mid-America.

Last year, nearly 6 million square feet of new or expanded retail space was completed in the Chicago area, a 12 percent increase over 2005, according to the company, which has compiled an annual report on Chicago-area retail development for the past 23 years. This year will easily eclipse the 2006 total, with another 11.8 million square feet scheduled to be completed.

Bulson, who authored this year's report, said shopping center sizes have increased dramatically in recent years, citing Zaremba's project as an example.

Zaremba and Forest City say their shopping centers will be big, but won't be mirror images of each other.

Cleveland-based Zaremba's center, at the southwest corner of U.S. 6 and Cedar, would be a "power town," with big-box stores ringing a cluster of smaller stores along a "Main Street component," Mize said.

The first phase of the 170-acre center would include about a million square feet of space, with another half-million square feet being developed "over the next few years," she said.

By comparison, Orland Square in Orland Park is about 1.2 million square feet.

At the northwest corner of U.S. 6 and Cedar, Forest City is proposing a "lifestyle center," anchored by department stores mixed in with specialty retailers, restaurants and perhaps a hotel and offices, Jerry Ferstman, vice president of commercial development with Cleveland-based Forest City, said.

The development could ultimately encompass 1.5 million square feet of space on 225 acres, Ferstman said.

The yet-to-be-named center would seek to draw shoppers from well beyond New Lenox and nearby towns, he said. It would feature "destination" stores or entertainment venues that could bring visitors from miles away, Ferstman said.

"We would try to appeal to as broad a base (of customers) as possible," he said.

Enough support for two malls?

While the developers are confident there are enough consumer dollars to support the two massive shopping centers, New Lenox wants them to back up that claim with detailed market studies.

"What we are looking for is something to substantiate 3-plus million square feet of retail," Robin Ellis, the village's planning and development administrator, said.

A 1999 study showed that, based on population growth estimates, the New Lenox area could support at least 2.5 million square feet of retail space.

While that study looked at household spending and consumer demand for new retail space, what the developers submit will "look more at the supply side of things," gauging interest from potential tenants, Ellis said.

Mize said tenant interest "has been very strong" for Cedar Crossings.

The shopping centers would be about 10 miles, as the crow flies, from Louis Joliet Mall and about eight miles from Orland Square. Would retailers that have stores in either of those malls be reluctant to pop another one in New Lenox for fear it would sap sales from the mall stores?

Zaremba isn't disclosing specific retailers it's courting for its shopping center, but "we are confident" the New Lenox project would have "minimal impact to same-store locations" in the area, Mize said.

Capper said he doesn't think retailers taking a look at New Lenox will factor in whether they already have stores in either the Joliet or Orland Park malls.

"The fact that (the planned New Lenox centers) may appear to be 'too close' to a regional mall does not mean there is not a pocket market that can support a lot of retail," Capper said. "There has been such explosive growth in that whole area, it's created a whole new market."

Taking into account other retail centers is part of Forest City's market research.

"We do factor in competing retail," Ferstman said. "We have a pretty good idea of who's out there and where they're located."

What role does Forest City's New Lenox neighbor play in the company's marketing scheme?

"We are not really focused on what any of the adjoining property owners are doing," Ferstman said.

*Mike Nolan may be reached at  
mnolan@dailysouthtown.com  
or (708) 633-5952.*