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Taking Stock: Building the Future

A billion here, a billion there ...

Peoria's retail landscape continues to evolve and money continues to flow

BY ANITA SZOKE
OF THE JOURNAL STAR

PEORIA — Retail is big business in central Illinois, in terms of sales and construction. In fact, total retail sales in the Peoria-Pekin Metropolitan Statistical Area, which comprises the counties of Peoria, Tazewell, Woodford, Stark and Marshall, average more than \$1 billion a quarter or more than \$4 billion a year.

"That's always an impressive number," said Bernard Goitein, director of the Center for Business and Economic Research at Bradley University.

Peoria's retail landscape also has evolved over the years, especially in the northwest portion of the city, with the construction of the city's second mall, The Shoppes at Grand Prairie, and scores of additional stores and other businesses that followed it.

And recently, several of the city's longtime retail complexes have embarked on multimillion-dollar renovation projects of their own, including Northwoods Mall, Junction City shopping center and Westlake Shopping Center, to woo consumers.

So with all of the new retail construction and opportunities Peoria has to offer, is the market becoming saturated?

That's hard to say, local experts contend. "If we continue to have growing incomes and growing consumer confidence and new and unique sales opportunities, then we'll see more spending," Goitein said. "We have reasonably good consumer confidence and we know we have growing numbers of people working. That tells me that if we get new sales opportunities, then we will have increased spending. The challenge is for the retailer to get these people with that confidence in the economy to spend at their stores."

"There's always room for another unique buying opportunity if someone will give us quality and good price," Goitein said. "That's what business is about, providing value to its customers."

Housing is a big driver of retail, said Robert Scott, chairman of the economics department at Bradley University.

So with scores of new housing developments going up in the city's growth cells in northwest Peoria, it makes sense that retail follows suit, he said.

"We're certainly not saturated in residential demand," Scott said.

The type of retail is changing in Peoria as the city becomes more white collar, he added.

"The kinds of tastes those people have in what they buy is different," Scott said.

Changing face of retail

A decade ago, many in Peoria had doubts about whether the city could sustain two major malls.

THE SHOPPES AT GRAND PRAIRIE



Peoria's retail landscape has evolved, especially in the northwest portion of the city, with the construction of the city's second mall, The Shoppes at Grand Prairie (left) and scores of additional stores and other businesses that followed it. MATT DAYHOFF/JOURNAL STAR

WESTLAKE SHOPPING CENTER



LESLIE RENKIN/JOURNAL STAR

ABOVE: Construction work continues on the renovation of the Westlake Shopping Center in Peoria. AT LEFT: Renderings of the renovated Westlake complex, due to be completed in the spring of 2007.

Please see RETAIL, Page D7

RETAIL

Continued from Page D6

Also, retail sales in Peoria were declining in 2001 and 2002, according to a study on retail sales conducted by Goitein.

But coincidentally, the downward spiral was reversed after The Shoppes at Grand Prairie opened in 2003. Goitein said he saw growth in the area, starting with the second quarter of 2003. The growth was primarily in the city of Peoria and was not explained by employment growth, and that coincided with the opening of the major retail development in the area, The Shoppes.

The Shoppes, developed by Cullinan Properties Ltd., were sold earlier this week to Institutional Mall Investment LLC, a group that buys and manages shopping centers.

The Shoppes' opening also touched off a flurry of other business growth in that area, such as new hotels, financial institutions that are building branches there including CEFUCU, Main Street Trust Inc. and Princeville State Bank, restaurants and other stores.

Other retail construction

Not to be outdone, Peoria's other retail complexes are embarking on ambitious construction and renovation projects of their own.

Last year, Northwoods Mall completed a \$6.5 million renovation, the first in the mall's 32-year history, that gave shoppers access to new stores, more food options and renovated common areas with furniture. More options are now available in the food cluster on the second level at the main entrance.

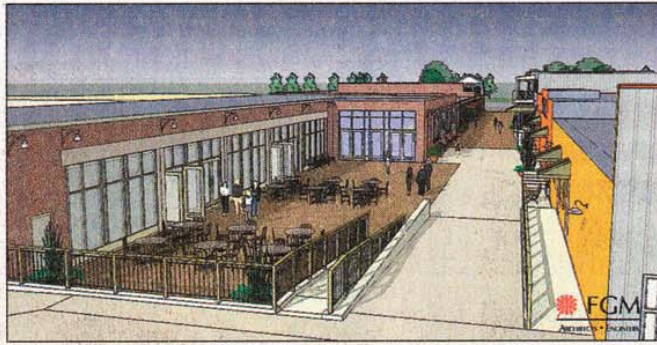
New accent lighting has been installed throughout the mall along with new flooring on the lower level, including the courts outside Sears and J.C. Penney. New chandeliers were installed in the center court area, Sears court and J.C. Penney court. And exterior work included new landscaping and renovated entry areas.

Officials from Simon Property Group Inc., the owner of Northwoods, said the time was right for the mall to receive major remodeling to keep the look fresh and up-to-date for customers.

"We take a look at all of our properties and decide what we can do to make them better and make them more appealing to customers," said Les Morris, Simon spokesman, at the time the renovations were announced in February.

Westlake Shopping Center is in the midst of a \$5 million remodeling project to redevelop and reposition it as an upscale shopping plaza with a neo-classical/Tuscan theme,

JUNCTION CITY SHOPPING CENTER



RENDERING COURTESY JUNCTION CITY VENTURES LTD.

These renderings show how Junction City Shopping Center will look after a multi-million-dollar renovation is completed. The top view shows new paint, a new boardwalk and new signs for the center. The bottom view shows how the alley currently separating the shopping center, to the right, from a warehouse behind it will look after it is altered into a walkway. It also shows how the warehouse will be renovated into retail and commercial space, including the courtyard in the foreground.

imported Italian granite and sandstone accents and new storefronts.

Several new retailers are also calling Westlake home, including Regency Beauty Institute, one of the nation's fastest-growing schools of beauty and cosmetology, which will anchor the shopping center's new Main Street; Chevy's Fresh Mex, a Mexican restaurant; Mickie's Pizzeria; and Beef O'Brady's, a family-oriented sports restaurant and pub.

Les Cohen, president of Cohen Development Co., the center's owner, said he envisions a more open and vibrant center with raised storefront elevations, new sidewalks and landscaping, a new Main Street area with large sidewalk patio cafes and public areas and a seasonal farmer's market.

A makeover of the Junction City Shopping Center is nearing completion, as it prepares for a grand opening celebration Oct. 29. As part of the celebration, the nearby beleaguered Grandview Hotel will be demolished that day to make way for a four-story building to house retail shops, apartments and possibly a skating rink, said Alexis Khazzam, owner of Junction City along with his wife, Elizabeth Leiter Khazzam.

In addition to new landscap-

ing and exterior improvements, the Khazzams have brought in new tenants, including Belle Mie, a high-end women's clothing store; Cyd's Sensationals, a popular catering and lunch spot currently in Peoria Heights, and the Butcher Block, among others.

A new Oberweis Dairy franchise is expected to open in March in a planned separate building near the corner of Prospect and Humboldt, the Peoria Ballet is expected to relocate to what is now a warehouse, and there are discussions for an upscale lounge in that area.

The Northwestern Place shopping plaza on University Street also is being remodeled, with new facades, landscaping and the debut of a new tenant, the Azura Boutique, a women's clothing store. The remodeling is expected to be completed by this month or early October, depending on the weather.

And Prospect Crossing, a new shopping complex in Peoria at War Memorial Drive and Prospect Road, houses an expanded Meineke Car Care Center, Starbucks, Jimmy John's and Nextel Cellular Connection, with additional space available for more retail.

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