

CITY REPORT

Retail gives project a boost

Developer packs mixed-use plans for Grand Boulevard

By Jeanette Almada
Special to the Tribune

A Columbus, Ohio, developer visited 47th Street and Cottage Grove Avenue in the Grand Boulevard neighborhood 2 1/2 years ago and came to the same conclusion as many developers before—it wasn't retail friendly.

"Originally, we were somewhat skeptical. But then we drove around, talked to people, studied the market, the neighborhood and saw all the forces that are just the right things [that a retail developer likes] to see happening—the in-fill housing going up at a rapid pace, and much of it market-rate housing, the dearth of retail on that historically commercial Cottage Grove," recalls Frank Petruziello, vice president of Skilken Properties and a principal of Mahogany Chicago 47 LLC.

Now Mahogany's \$73 million mixed-use project at 47th and Cottage Grove, to be called Shops and Lofts at 47, is hailed by South Side leaders, not for its 133 condominiums, but for its 15,000 square feet of office space and 45,000 square feet of ground-floor retail.

Skilken and Columbus-based Troy Enterprises, headed by African-American developer Adam Troy, formed Mahogany to build mixed-use projects in underserved neighborhoods.

The partnership came to 47th and Cottage Grove largely at the urging of Bernita Johnson-Gabriel, executive director of Quad Communities Development Corp., a non-profit that focuses on finding retail developers for commercial districts in the 4th Ward, which consists of North Kenwood, Oakland and parts of Douglas and Grand Boulevard.

"We'd had a Parade of Homes in '94, which proved to be the catalyst for market rate residential redevelopment," said Ald. Toni Preckwinkle (4th). "Since then we have also had three big CHA transformations [Jazz on the Boulevard, Lake Park Crescent and Oakwood Shores]. In all of that time we have tried to persuade retailers that this area is an attractive area to do business in."

Quad Communities Development Corp., formed in 2003, has been able to do that, she added.

Quad Communities worked with local residents to set the tone and character for Cottage Grove. In 2006, the non-profit commissioned Skidmore, Owings & Merrill to come up with a master plan for the corridor.



A rendering of the Shops and Lofts at 47, a development set to begin construction next year at 47th and Cottage Grove with condos, office space and 45,000 square feet of retail space.

Mixing it up

These mixed-use projects are slated to break ground from next spring to fall on and near Cottage Grove Avenue:

- 4501 S. Cottage Grove - 80 residential units and about 23,000 square feet of ground-floor retail space.
- 4510 S. Cottage Grove - 25 residential units with 3,000 square feet of ground-floor retail space.
- 4548-4556 S. Cottage Grove - 23 units with 2,500 square feet of ground-floor retail space.
- 4001 S. Cottage Grove - 10 units with 6,000 square feet of ground-floor retail space.
- 4700 block of S. Cottage Grove - 133 units with 15,000 square feet of office space and 45,000 square feet of retail space.
- 708 E. 47th St. - Rehab of a former furniture store into office space over ground-floor retail.
- 4359 S. Cottage Grove - 8 units with 3,000 square feet of ground-floor retail space (near completed).
- 635 E. 47th - 24 units with 2,400 square feet of ground-floor retail space.

-Jeanette Almada

"It ... calls for about 600 residential units built over retail space on Cottage Grove between 43rd and 51st Streets," Johnson-Gabriel said, adding that Cottage Grove between Pershing Road and 43rd Street will be entirely residential.

Small retail shops, restaurants and small businesses will set the tone for the avenue. "We will look to State Street's redevelopment to the west for big box retail," Johnson-Gabriel said.

"All developers who build on the corridor will use appropriate signage, landscape and streetscape. Even balconies that hang over the corridor will have to be appropriate under guidelines" created by Chicago-based landscape architect BauerLatoza Studio, Johnson-Gabriel said, of Mahogany and the six other developers scheduled to begin constructing mixed-use projects there next year.

Johnson-Gabriel began courting Mahogany with demo-

graphic data from a 2004 study by LISC/Chicago (Local Initiative Support Corp.) "That study gave a snapshot of the neighborhood's buying power as \$675 million annually," Johnson-Gabriel said.

The LISC study ranked the neighborhood as having the 18th-highest buying power of 77 city communities. "Those numbers are probably higher now, and we have asked LISC to update that data," she added.

That Cottage Grove saga mirrors the thirst for retail in all redeveloping neighborhoods. "Most developers functioning on the South Side are residential developers and retail has been a second thought. We have talked to a number of Chicago developers anxious for us to be successful because they want to follow us," Petruziello said.

Mahogany's project is deemed pivotal. One reason is Skilken's history in developing for national retail heavyweights such as CVS Pharmacy,

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Retail developer Frank Petruziello

Target and Home Depot.

"We plan to have a national coffee shop and can accommodate a small food market, but not a 30,000-square-foot grocery store. This is a neighborhood scale retail project," Petruziello said.

Mahogany is nearly finished assembling its 158,970-square-foot site and has closed on its purchase of about 4,000-square-feet of land on Evans Street and is under contract to buy another 9,000 square feet from private owners. This month it won Community Development Commission approval to buy about 30,859 square feet of vacant city-owned land on the 4700 blocks of Cottage Grove and Evans.

The city will sell its land for \$308,000, a discount from the appraised \$832,000 valuation. That and \$18.2 million in tax increment financing will offset part of Mahogany's costs to build about 26 affordable units and prepare the land. "We hope to close on the city-owned land by spring 2008," Petruziello said.

It expects to begin building by mid-summer 2008 and will sell its condos through Rubloff Residential Properties.

Mahogany Chicago, LLC
A joint venture between Skilken and TROY Enterprises in community partnership with Quad Communities Development Corporation



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