

# Developers, tenants find pluses in lifestyle centers

By SARAH BREHM

When Realtor Gerald Cohen purchased the Twelve Corners Shopping Center at Monroe Avenue in Brighton last year, his plan to revamp the property included decreasing its size by approximately 6,000 square feet.

"Retail concepts have changed, and the depth was not what retailers want," says Cohen, founder and manager of S.F. Properties Inc. of Brookline, Mass.

Adds Brighton town planner Ramsey Boehner: "The spaces were long and thin, and for a retail market they were not very leasable spaces."

Though unorthodox, Cohen's proposal was well-received by businesses as well as residents of the plaza's surrounding neighborhoods, he says.

"I think they may have been a little skeptical in the beginning, but I think it was very well-received."

Its \$2 million renovation now complete, Twelve Corners Shopping Center's new tenants include Panera Bread, FedEx Kinko's, the Mutual Fund Store and Subway Restaurant. Starbucks Coffee Co.—one of the only retailers still occupying the plaza when Cohen purchased it in January 2006—has moved into a larger space.

Twelve Corners is an example of what the International Council of Shopping Centers defines as a lifestyle center: a shopping complex geared towards the wants and needs of consumers in its trading areas, usually affluent suburbs or residential neighborhoods. Pittsford Plaza, currently undergoing a revitalization of its own, is another example. The average household income in Pittsford is just over \$85,000.

Lifestyle centers often include a mixture of chain retailers, specialty shops and restaurants—an element that can boost the traffic in stores that also occupy the plaza, says Dennis Wilmot, whose Rochester-based development firm Wilmorite Management Group LLC is heading the Pittsford Plaza project.

"It's a win-win for both because the patrons to the restaurant, rather than just sit on a bench and wait for their number to be called, can go shop and spend their time doing things that are just more interesting," Wilmot says. "The retailers benefit because they have that captive customer in their store."

According to Daniel Butler, vice president of merchandising and retail operations at the Washington D.C.-based National Retail Federation, lifestyle centers are attractive to retailers in part because developers often offer tax breaks to those businesses that move in.

"Strip malls and multi-use developments continue to evolve as the specialty store sector grows and creates new opportunity for expansion for their companies," Butler says. "Property developers are courting more retailers to their developments with a special focus on tax incentives and other economic incentives."

The \$15 million Pittsford Plaza renovation will include the opening of several stores, including the Cheesecake Factory, Eastern Mountain Sports, Stein Mart and a number of specialty shops to be located in the space formerly occupied by Chase-Pitkin Home & Garden Centers store.

While planning such lifestyle centers, one obstacle realtors and developers often face is opposition from residents of surrounding neighborhoods, Boehner says.

"In a lot of communities when someone proposes to do something in their backyard, a lot of people come and say, 'We don't want it,'" he says.

Cohen, for one, avoided such pitfalls by meeting with residents of Twelve Corners' surrounding neighborhoods even be-

fore applying to the city of Brighton itself, Boehner says.

"He met with the neighbors," he says. "When his application came up, they were in support of his application."

Cohen says he makes it a point to meet with neighbors to understand interests and concerns.

"I see how I can work with them to try to meet most, if not all, of their requests," he says.

With the support of local residents and of Judy Schwartz—head of Brighton Neighborhoods United and chairwoman of the town's zoning board of appeals—Cohen was able to secure all necessary approvals.

"We want people to do that all the time," Boehner says.

The true beneficiaries of projects like Twelve Corners and Pittsford Plaza, NRF's Butler says, are the retailers who occupy those centers.

"These new developments and projects that involve redevelopment are allowing retailers to expand into markets with a farther reach than they had 15 years ago," he says.

According to a recent survey conducted by the International Council of Shopping Centers, lifestyle centers like the Pittsford Plaza are quickly becoming as profitable for tenants as traditional shopping malls.

It revealed that lifestyle centers bring in an average of \$325 per square foot, compared to \$336 per square foot in regional malls.

"As the success builds and the traffic builds and the energy builds, everyone that is a tenant in the plaza stands to benefit," Wilmot says of Pittsford Plaza.

The survey also shows that shoppers are likely to visit lifestyle centers slightly more often than they visit malls; respondents to the survey reported visiting lifestyle centers an average of 3.8 times in 30 days and only 3.4 visits per 30 days for regional malls.

Ultimately, Cohen and Boehner's focus is on residents of Brighton and on those who will make use of the plaza and the services offered by its tenants.

"No one likes a vacancy," says Cohen. "The center was in pretty poor condition, and by just cutting off (a portion of the back) we were able to fill the center and create a much more vibrant area."

Adds Boehner: "That's what that project does. It invited our community in."

*Sarah Brehm is a Rochester-area freelance writer.*

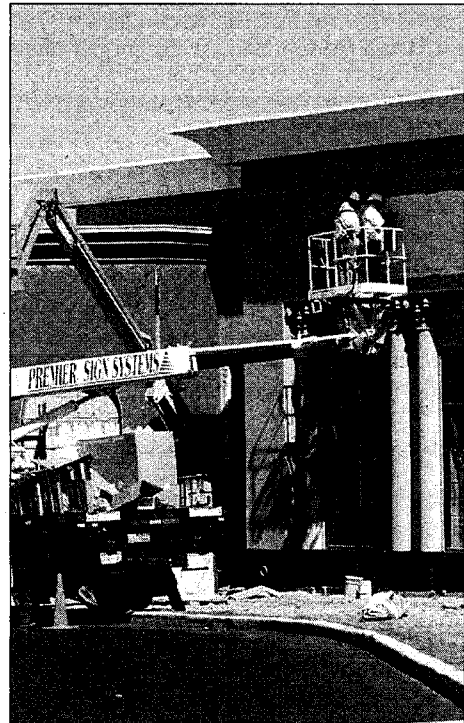


Photo by Kimberly McKinzie

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