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Retail viewed as icing on MSA proposals' cake

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Downtown dwellers hungry for one-stop shopping venue

On the edge of Downtown, a retailer named Wal-Mart could settle in.

Or a Home Depot, or Panera Bread.

Spurred by housing plans that will attract hundreds of additional residents Downtown, an infusion of suburban-style retail is on the way. It's only a matter of when -- and how much.

The six plans for the former Market Square Arena site propose high-rise condominiums, apartments and cultural centers. But the component that ultimately could separate the bids is retail.

Depending on which proposal city officials select, the space devoted to restaurants and shopping varies greatly -- ranging from 5,000 square feet to 87,200 square feet. Who moves into the space depends, too, on the developer. Some want to bring in the usual suspects, such as Starbucks and a dry cleaner others are ready to gamble on a more unusual approach, like a Downtown big-box retailer. "To start with, you've got to have the pharmacy, card shops, hardware, beauty, barber, household goods and boutiques," said Mike Comparato, vice president of CTE Engineers and a partner in the Market Square Partners proposal. "Then it's time to extend to the big-box-type users."

Comparato's project will cost \$140 million and, unlike the other proposals, asks for no public money. It features the second-largest retail center, 75,000 square feet. "We could just do another project here and take the easy way out, just do some apartments and more condos," he said. "Or we can be more bold and more visionary and go beyond the site." His project will look for unusual uses.

Big-box retailers can exist Downtown as they have in other major cities where they are designed for an urban format -- multilevel, rather than spread out. People who live Downtown are begging for one-stop shopping -- whether in the form of a major retailer or a center that features many small shops where residents can do most of their shopping, he said.

"We walk Downtown everywhere -- unless the weather's bad -- for everything," said Linda Perdue, who lives with her partner, Suzannah Walker, on Alabama Street. They shop for shoes at Stout's on Massachusetts Avenue, then move on to Watt's Blooming for flowers. The two also frequent Nordstrom and O'Malia Food Market. Downtown doesn't take care of all their retail needs, however. They head to Lowe's for nuts and bolts, Trader Joe's for organic groceries and to Keystone at the Crossing for apparel. If only that burst of retail would come Downtown, said Perdue. "I would give my left arm for (that)."

It could happen, but the city has a decision to make: Just how big of a retail presence does it want at the site? While city officials are pondering the proposals, it's certain they would like to see more retail Downtown, said Angie Dye, spokeswoman for the Department of Metropolitan Development. "All the proposals have a residential component, and that just builds the case of needing more personal-service-type businesses," she said. For residents, they want small coffee shops, bookstores and restaurants. "And some other kind of multipurpose store like a Target or Wal-Mart," she said.

A general merchandise retailer would be fine with Jennifer Dixon, who lives in Chatham Arch with her husband, Aaron. "I do a lot of SuperTarget runs," said Dixon. "I do a lot of Lowe's, Home Depot runs. I certainly don't want it to cannibalize the smaller shops. I do want it as an alternative to meet the needs that aren't currently offered." Dixon said that except for the lack of "everyday living" retail stores, Downtown retail is unique. She points to the quirky shops along Massachusetts Avenue as proof that Downtown can support retail.

"Downtown is a place more people are wanting to come and live," said Amy Watt, owner of Watt's Blooming, a full-service flower shop along Massachusetts Avenue. "More people living here, then of course you can use more retail." Watt said a major sector of her business is walk-in Downtown residents who stop by to build their own bouquets, shop for gift items or order a flower bucket. "People like to be able to walk to where they want to go," she said. "They like that convenience."

Convenience is the push behind MSA Development Group's retail proposal for the site -- a modest 25,000-square-foot center to serve the needs of area residents. "You don't need more than that. In our assessment, that's what this city demands," said John Bales, senior associate at CB Richard Ellis, a partner in the MSA group. Bales said retailers are showing great interest in the site, and he already has received several letters of intent. "From your usual suspects," he said.

Among the retailers and services looking at the site are Deering Cleaners, Starbucks and Baja Fresh, a fast-casual Mexican restaurant. The developer also is looking to bring a hardware store and health club -- ancillary services to serve residents in the immediate area. "We've tried to address all of the city's needs in one fell swoop," he said. "We're trying to meet the true retail need. We could probably lease more than 25,000 square feet, but we don't want to be in competition with the rest of city."

Developers will have to be especially careful not to step on the toes of a retail component sitting just across Alabama Street from the site -- Indianapolis City Market. "We're excited about retail coming in," said Nikki Longworth, executive director of the market. "We're more excited about noncompetitive retail coming in." Many of the project's leaders have assured her they want to work as partners on the development. "There are a lot of directions retail could go that won't conflict with what City Market is doing -- like clothing, sporting goods," Longworth said. Her organization will handle the fresh foods and smaller retail that residents want, she said.

It's that component of retail -- a return to the old days -- that Kate Flock hears most of her clients requesting. "They would love to have a butcher, a hardware store, a small deli shop," said Flock, who specializes in Downtown real estate as co-owner of Flock Real Estate Group. More important to residents is having it packaged together. "They want a destination where you just walk there, pick up your dry-cleaning, your fresh-baked bread, your coffee," she said. "It's what other big cities have. It's what we need."

Call Star reporter Dana Knight at 1-317-444-6012.

Downtown Indianapolis

- * Size: 5.5 square miles
- * Population: 12,800
- * Housing units: Nearly 8,000
- * Employment: 106,502
- * Average household income of Downtown workers: \$60,000
- * Memorials/parks/gardens: 22
- * Parking spaces: 64,000
- * Restaurants: 200-plus
- * Retail stores: 200-plus
- * Churches: 27

Indianapolis Downtown Inc.

Redevelopment plans

Six proposals are being looked at for the former Market Square Arena site. Each has a different retail component.

Flaherty & Collins Properties

Cost: \$42.8 million
Living: 292 multifamily apartments
Office: none
Park/open space: 53,625 square feet
Parking: 450 spaces
Retail space: 87,200 square feet

Market Square Partners

Cost: \$140 million
Living: 400 for-sale condos
Office: none
Park/open space: 1.5 acres
Parking: 700 spaces
Other: Community reinvestment program
Retail space: 75,000 square feet

Near Eastside Renaissance Partners

Cost: \$54 million

Living: 72 condos and 152 apartments

Office: none

Park/open space: 36,000 square feet

Parking: 372 spaces

Other: Cultural/Performing Arts Center

Retail space: 69,260 square feet

City Centre Associates

Cost: \$60 million

Living: 160 condos and 240 rental units

Office: none

Park/open space: 10,000 square feet

Parking: 594 spaces

Retail space: 33,740 square feet

MSA Development Group

Cost: \$130 million

Living: 335 apartments, 150 high-rise condos, 85 affordable apartments

Office: 250,000 square feet on Bank One Site

Park/open space: 53,000 square feet

Parking: TBD

Retail space: 25,000 square feet

New Gateways LLC

Cost: \$60 million

Living: 178 loft condos and townhouses

Office: none

Park/open space: 1.6 acres

Parking: 298 spaces

Retail space: 5,000 square feet