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Jefferson Mall might get a challenger in \$85M retail center

By [Terry Boyd](#) Business First Staff Writer

Jefferson Mall might lose its position as southern Jefferson County's lone regional retail destination.

A Louisville-based development group plans to build a major shopping center next to Jefferson Mall, potentially an \$85 million project.

Jefferson Development Group CEO Kevin Cogan has bought 27 acres on the southeast side of the mall, where Jefferson Development plans a large retail development, said Rob Webber, Jefferson Development president.

The property, at Robbs Lane and the Outer Loop, currently is undeveloped.

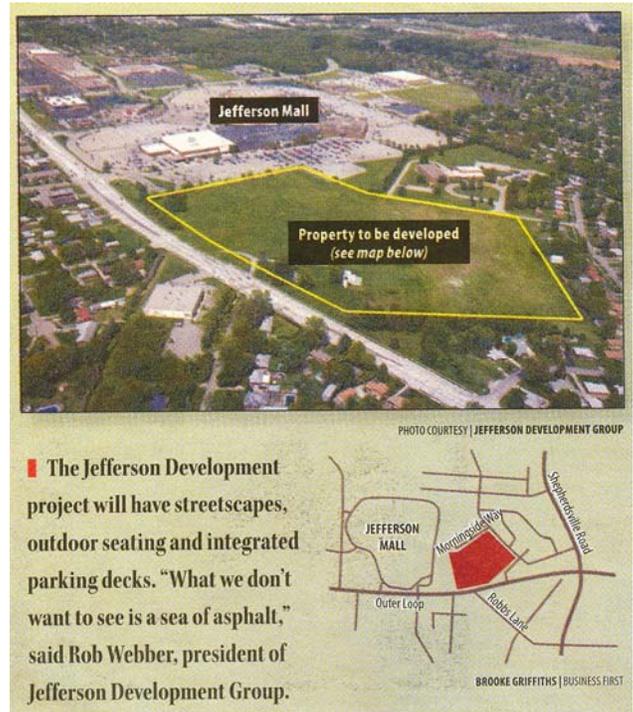
Retail hybrid

Though Webber declined to identify potential tenants, he envisions the new center as having brands comparable to The Summit-Louisville in northeastern Jefferson County.

"People who live in (the southern) part of the county -- if they want to have that level of retail -- right now they have to drive to The Summit."

The as-yet unnamed development would be more compact than the 40-acre Summit.

The plan is for a 420,000-square-foot "lifestyle center" -- a cluster of stores and restaurants within walking distance of one another -- that would have



several anchor tenants, as well as storefronts and sit-down, national chain restaurants.

In terms of retail space, the new development would be less than half the size of Jefferson Mall, which has about 1 million square feet under roof.

The Jefferson Development project, though, could have about 14 percent more retail space than The Summit, which has nearly 370,000 square feet. But it would be on a far smaller piece of property.

The Jefferson Development project will have streetscapes, outdoor seating and integrated parking decks, Webber said. "What we don't want to see is a sea of asphalt."

Anchor retailers could include a sporting goods store, bookstores and possibly a grocery. "The population density is so (great) that a grocery is likely," Webber said.

Cogan had the property under option in May when he and Webber went to the International Council of Shopping Center's trade show in Las Vegas, Webber said. "We showed (national credit tenants) the area and the concept, and everyone was ecstatic."

Jefferson Development officials plan to develop store shells and lease them to tenants, though Webber said he could foresee possibly selling some parcels to anchor tenants or top restaurants.

Retail destination hub

Jefferson Mall owner CBL and Associates Properties Inc. is aware of Jefferson Development's plans, said Katie Reinsmidt, director of investor relations at CBL headquarters in Chattanooga, Tenn.

Reinsmidt said she couldn't speculate on the impact of a neighboring development. In general, she added, creating a retail hub is positive.

"People tend to gravitate toward retail clusters," she said. Adding more retail next to Jefferson Mall would be "a traffic driver."

Jefferson Development bought the property last July as Dixie Blue Dog LLC and Dixie Blue Dog II LLC from LaVerne Wallace, paying about \$1.4 million for two parcels totaling 27 acres, according to the Jefferson County Property Valuation Administrator's Web site.

The property already has sewers and utilities in place. "That's one of the advantages of being next to a regional mall," Webber said.

He anticipates the process of changing the zoning from residential to commercial to take about eight months, with site work possibly beginning in 2008.

Jefferson Development Group executives have had one meeting with residents, and two more are scheduled for January, he said. He described the reception for the center as positive, with local residents enthusiastic about sit-down dining and more retail selections.

At \$85 million, Webber said, he expects Louisville banks to be interested in financing the project, though it's possible financing capital could come from New York-based investment firms or possibly from large life insurance funds.

Other developers had tried for years to buy the property because it's one of the last large undeveloped parcels in the area and because of its strategic location, according to Webber. "We had the right offer at the right time."

Area has seen strong residential growth

The cluster of shopping centers in east Jefferson County has about 4.5 million square feet of retail space.

Those centers include two regional malls -- Mall St. Matthews and Oxmoor Center -- within one mile of each other on Shelbyville Road.

By comparison, Jefferson Mall, at 4801 Outer Loop, is the only mall south of Interstate 264, as well as the only mall near fast-growing Bullitt County.

At a time when much of Kentucky was in a slow-growth mode or losing population, Bullitt's population grew by about 20 percent between 2000 and 2006, according to U.S. Census Bureau statistics.

Residential growth in southern Jefferson County and Bullitt County has been fueled by the expansion of **United Parcel Service Inc.**'s air hub, as well as fulfillment and logistics businesses drawn to the hub, near Louisville International Airport, Webber said.

Although household incomes in the market area are below those in more affluent parts of eastern Jefferson County, a higher percentage of residents have been in the area for decades, own their homes and have disposable income, he said.

Apartments planned in South End

Jefferson Development already has a South End presence, including a planned apartment complex, Wyndamere.

Wyndamere would put 420 units at the Gene Snyder Freeway and New Cut Road, a project scheduled to be completed next year.

In addition, Jefferson Development announced last Friday that it would build two 12-story towers on East Main Street, a project worth an estimated \$150 million.