







## Deal to buy, redevelop Kingsdale near completion

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In the past year, plans for a renovated Kingsdale Shopping Center have gone from wishful thinking to a near certainty.

That's a rapid pace, considering how long the '60s-era center has languished.

Continental Real Estate Cos. is close to wrapping up a deal to buy Kingsdale from Regency Centers for \$20.2 million. Continental's vision for a renovated center includes a rebuilt, expanded Giant Eagle supermarket, about 100,000 square feet of office space and several new retail buildings.

There's even the possibility that Continental, one of the top commercial developers in central Ohio, might eventually gain control of the aging Macy's building and redevelop it, should the retailer close at Kingsdale.

First things first.

Continental Chairman Frank Kass, working with local developer Mark Catalano on the project, said he expects the deal to buy the center will close in late March if Upper Arlington approves Continental's preliminary development plan for the site.

That could happen in early February at a public meeting of the city's planning and zoning board. The city tried for years to persuade Regency to include new offices in a renovated Kingsdale rather than simply plug retail gaps, and some city officials seem genuinely excited about Continental's involvement.

"What you have is Continental's ability to market the office (space)," said Matthew Shad, the city's economic development director. "That's not something that was Regency's forte."

Further, Continental is probably one of the few companies that could pull off the renovation because it's Giant Eagle's major developer.

"We're not a savior; we're just in the right place at the right time," Kass said last week.

Continental's preliminary plan calls for the current Giant Eagle, a converted Big Bear, to be torn down. A new, larger Giant Eagle would be built closer to the Northwest Boulevard side of Kingsdale.

Several retail buildings would be built and others refaced. The office buildings would front Zollinger Road, Kingsdale's southern boundary.

Kass said Continental's plan is somewhat at odds with Upper Arlington's master plan and would actually create two separate shopping venues: the supermarket and an office/retail center.

"On the Tremont Road side, it will be a town center with smaller shops and restaurants and banks and so forth in a more-clustered type of town-center atmosphere," Kass said.

Of utmost importance to the city is the office part of the redevelopment. Office workers provide valuable tax benefits to a city, and Upper Arlington encourages office development whenever it can because it's landlocked.

Kass thinks one building of 40,000 square feet and another of 60,000 square feet is about all the site can accommodate.

"In order to build more office (space) on Zollinger, you'd have to do a parking structure, and it's very expensive and not feasible," Kass said.

Kass said that more office space eventually could emerge at the Macy's site.

Central Ohio used to have several neighborhood Lazarus stores, the predecessor of Macy's in this market, including at Kingsdale. But if Macy's has thoughts about the Kingsdale location, it's not talking. A Macy's spokeswoman would not comment on the company's long-term plan.

Last week, Macy's said it will close 11 stores across the country. One is a store it gained in an acquisition; it is a block from its flagship store in Los Angeles. It took Macy's more than three years to make that decision.

Kass said Continental had initial discussions with Macy's last fall about acquiring the Kingsdale site. "We haven't gotten anywhere," he said.

The current plan for Kingsdale calls for Continental to begin the Giant Eagle project this spring. The new supermarket could start going up as early as this summer. It would open in spring 2010; then Continental would start on the office buildings.

"The big discussion is how we balance all these," Shad said. "We think we have a reasonable starting point."