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Maine's retail developments appear to be holding strong despite current economic concern

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The state of Maine has experienced tremendous growth of its retail real estate presence in recent years. Developers have been active in all regions of the state with new construction projects and the redevelopment/renovation of existing facilities. Several proposed projects are in planning stages or under construction. These large-scale retail developments provide much needed jobs and increased property tax revenue throughout the state. With the continued financial and economic concern, Maine's retail developments appear to be holding strong despite considerable obstacles. Time will tell what affects decreasing consumer confidence and tightening credit requirements will have on these recent retail development projects.

Among the projects that were completed, Packard Development, based in Newton, Mass., opened several open-air mall projects in the state. Augusta Crossing, a 400,000 s/f shopping center, features anchor tenants such as Lowe's, Best Buy, Staples, & Target located in the State's Capitol was completed late last year. In addition, Biddeford Crossing, a 520,000 s/f development project on 70 acres, houses a mix of national tenants and was completed in late 2006.

The proposed Stroudwater Place development in Westbrook has drawn a lot of attention in recent months. On October 20th the development got one step closer with the city council's unanimous decision to approve a contract zone for the project. If completed, the mixed-use development with retail stores, offices, a hotel, an outdoor farmer's market, a performing arts venue, and an ice skating arena would have a total of 1.65 million s/f. The \$300 million development is expected to take 10 years to complete and will create an estimated 4,000 permanent jobs. Stroudwater Place would be larger than the Maine Mall, currently the state's largest retail destination. Developers Jason Snyder and Arthur Emil are behind the impressive undertaking. Arthur Emil, a prominent New York lawyer and developer, and among other things, is well-known for owning the world-famous Windows on the World atop the World Trade Center.

In Freeport, the new Freeport Village Station is under construction with an anticipated grand opening sometime in the spring of 2009. The developer, Berenson Associates, has designed 120,000 s/f on a 3.6 acre site across from L.L. Bean's famous flagship store which will feature approximately 40 retail factory outlet stores, restaurants, and a 550 car parking garage. Once completed, the complex will house a new L.L. Bean Outlet Store, Calvin Klein, Van Heusen, IZOD, Geoffrey Beene and many others.

In nearby Brunswick, Maine St. Station has recently broken ground. The development will feature 40,000 s/f of new retail and office space adjacent to Brunswick's planned passenger rail stop and Bowdoin College. JHR Development is behind the project which will be positively impacted by the arrival of a planned Amtrak Station. "To be able to extend passenger rail and preserve our quality of life and natural resources is hugely important," governor John Baldacci commented during the

ground breaking ceremony. "You're going to have a huge opportunity to showcase this community and have access to passenger rail and stay interconnected."

Farther north, Ellsworth has evolved into a major commercial retail and service center due primarily to its location at the Gateway to Downeast Maine and Acadia National Park. Notably, the Maine Coast Mall, which is anchored by a Hannaford Supermarket and Marden's, has developed several outparcels, including a KFC and Taco Bell. Across the street, a newly constructed Walgreens is set to open soon and a proposed Hampton Inn & Suites is in the works. Recent developments also include Acadia Crossing, a \$50 million, 500,000 s/f retail development, anchored by a Home Depot, which was developed by W/S Development & S.R. Weiner Associates.

These projects have shown that Maine is on the map with the national retail community. The national anchor tenants housed in these developments provide a great opportunity for local and regional business to capitalize on the increased traffic and consumer spending delivered to these projects. The addition of jobs and tax revenue has helped many of the cities and towns involved with such developments. The effects of the growing credit crisis and struggling national retailers will dictate the success or failure of these recent projects. Nationally, many retailers are holding back future expansion plans or downsizing their current locations, and the ability of the market to absorb the large amount of new retail space could prove to be difficult given the current economic condition.

Jon Leahy is an associate broker with CB Richard Ellis/The Boulos Co., Portland.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540