

# Tri-County Area bands together for study

**Economic Development Council for Central Illinois spearheads analysis of attracting retail companies**

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By John Sharp

**of the Journal Star**

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PEORIA —

A central Illinois retail study focused on attracting specific retail companies to the Tri-County Area is expected to be under way soon.

The City Council will be asked to support Peoria's participation in the study on Tuesday. The council will vote on a \$51,855 bill for the city's portion, with only \$11,600 expected to be funded by taxpayers. The balance is anticipated to be funded by local businesses with an interest in attracting retailers.

The areas of Peoria's focus include: Downtown to the Riverfront, Illinois Route 6, Westlake Shopping Center, and University Street and Sheridan Road between Glen and Forrest Hill.

In total, about nine areas throughout the Tri-County Area could be included in the study.

"You have (retail) site selectors who do retail business all over the map," Economic Development Director Craig Hullinger said. "They are searching for new locations for their facilities. With the government putting this information up front, we can make it much easier for these site selectors."

The study is coordinated by the Economic Development Council for Central Illinois, the largest component of Heartland Partnership. EDC is accepting sites to be included in the study, which will take place starting in February.

The study, which is first in this region involving multiple municipal government participants, will include information regarding retail potential for each targeted area, customer profiles and recommend specific retailers that meet local customers demand, among other things.

Aside from Peoria, other communities participating are Washington, Morton, East Peoria and Pekin. The study will be performed by Teska and Associates Inc. of Evanston.

"The goal is to match the retailers with available space," said Jim McConoughey, president of Heartland Partnership.

McConoughey said the retail analysis is something that has been in the works for a couple of years. He said the focus will be matching the right retailers with vacant buildings, but there will be other development considerations.

In East Peoria and Washington, the focus will be on the redevelopment of Sunnyland, including Sunnyland Plaza.

Ty Livingston, director of planning and community development for East Peoria, said the retail analysis is only part of what officials want for Sunnyland. He said there is a separate plan in the works to revitalize Sunnyland's infrastructure.

"This retail study will be a component in this larger emphasis of Sunnyland," Livingston said.

Jon Oliphant, Washington's planning and development director, said the key aspect of the study is identifying tenants that will locate to Sunnyland Plaza.

The city of Washington, he said, requested an amount "not to exceed \$6,000" to cover its costs for the study. He said with the developer's interest in the project, costs will be reduced.

"We had trouble getting tenants to stay in the plaza," Oliphant said. "Hopefully this will be able to identify specific retailers to go with the goal to attract them not only to Sunnyland Plaza but also commercial developments along the Route 8 corridor."

In Pekin, City Manager Dennis Kief said the focus will be on downtown and in the city's south end, where Riverway Business Park is located. The Pekin City Council is expected to vote on the city's participation in the study Monday.

Kief said there could be opportunities to attract "service" shops, such as banks, convenience stores, grocery stores and restaurants to commercial areas like Derby Street.

"In the south side, the Riverway Business Park is doing well," Kief said. "A lot of people work in the area, but there hasn't been a lot of growth in the support services to accommodate those people. We feel (Derby Street) is a logical area (to conduct a retail study)."

Hullinger declined to say which commercial developers in Peoria were privately funding the retail analysis. He said two developers were paying for a significant portion of the city's commitment.

The group's work is expected to be ready before a conference in Las Vegas in May in which many retail deals are accomplished.

McConoughey said the study isn't being performed because the region's vacancy rate is at an alarming rate.

He said the area is "less than 8 percent" commercial vacancies. By comparison, he said areas in Michigan, Florida and California - all which have been hit hardest by the slumping economy - have a 15 percent vacancy rate.

McConoughey said one of the biggest challenges with the study will be predicting the "long-term demographics" of a community, such as East Peoria and Washington when it comes to the revitalization of Sunnyland.

He said it will be important to communicate the region's retail environment and Peoria's ability to withstand troubled economic periods in order to help a potential retailer to make a "10- to 15-year" decision to locate to a community.

Harry Fisher, an associate professor of business administration at Eureka College, wonders what kind of shopper will be around in 10 to 15 years.

He said the recession is determining consumer behaviors that could sharply change the retail landscape years down the road.

"I think we've got a change in consumer buying habits," Fisher said. "The wild card is, will people say this is how I will live my financial life (going forward)? Or, is this a temporary blip and people will go back to buying all sorts of things?"

To commercial real estate agents, the question of what the future holds for the region's commercial environment is not easy to answer.

"It's a very, very unique time," said Dan Maloof of Maloof Commercial Real Estate Co. "I've been through a lot of recessions and slowdowns. This one by far is the strangest with the low interest rates and high unemployment. The economics don't make sense."

John Sharp can be reached at 686-3282 or [jsharp@pjstar.com](mailto:jsharp@pjstar.com).