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## Shopping on 1, Sleeping on 2

By BRADFORD MCKEE

IN Lincoln Park, one of Chicago's more crowded and costly city neighborhoods, Tania and Scott Janos can shop as if they lived in the suburbs. There's the Bed Bath & Beyond on North Broadway, the Borders, the Petsmart, the T. J. Maxx. Mr. Janos, 34, said a "pretty swank" Home Depot is nearby, but not as nearby as Best Buy, which is just downstairs in their 57-unit condo building, Lincoln Park Commons. The Best Buy, at 30,000 square feet, takes up most of the street level of the building, on a site that once held a Chicago Transit Authority bus barn.

For eons, tradesmen have lived over, under and behind their shops, and apartment buildings in New York City often have street-level shops. But only recently have new combination buildings gone up: apartment blocks plopped on top of superstores. No apartment building sits atop an Ikea, but that may not be far behind.

Unlike a corner grocery store, such stores nearly rival the housing upstairs in square footage. That Frankenstein combination forces architects to dissociate the residential space from the behemoth below.

"People are thrown aback because we're over it," Ms. Janos, 32, said of the Best Buy.

As developers combine retailing with residential in cities, the resulting buildings hardly resemble "lifestyle villages," those glorified shopping malls sprouting up in suburbs with condos stacked atop modest-size Pottery Barns and Crate & Barrels, all arrayed around a pretend town square.

The new buildings are more like living above a Macy's or a Bloomingdale's. The Time Warner building at Columbus Circle in New York allows residents to shop at a gargantuan basement-level Whole Foods for a little extra fleur verte -- which beats heading downstairs to a cramped Gristedes.

And just below Bloomingdale's, on the site of the old Alexanders store on Lexington Avenue near 59th Street, an 80,000-square-foot Home Depot will provide the base for a new 55-story apartment tower scheduled for completion early next year. The tower, designed by Cesar Pelli, will have offices for Bloomberg Media as well as 105 condominiums.

"Would Henry Kravis buy a \$5 million apartment and say, 'It's right over the Home Depot?' " Marian McEvoy asked hypothetically. A design editor, Ms. McEvoy lived directly opposite the Alexander site for years before moving to the Hudson River Valley.

But outside New York it might well be acceptable to live above an easily identifiable store. Big-box stores married to residences are appearing in Chicago, Washington, Seattle and San Francisco.

Near downtown San Francisco, a Whole Foods store holds up five floors of apartments in a building called the Aurora. The building's developer, the Bond Companies of Santa Monica, Calif., recently opened 300 apartments at Sunset and Vine in Hollywood over a 90,000-square-foot complex that includes a Borders bookstore and a Bed Bath & Beyond.

But as developers experiment with new mixes of housing and supersize retailing, some people are not sure the gamble will succeed.

As Ronald B. Shipka Sr., principal of the Enterprise Companies, the developer of Lincoln Park Commons, put it, "You don't make any money on 2,000 or 3,000 square feet" of retail space -- something like a Starbucks shop and a dry cleaner. But to bring in a larger retailer, he said, "you have to find the right fit not to be detrimental to the residential sales." Even with the right fit, he said, his company has lost money because it has taken four years to sell all the residential units in the building. "Anytime a developer carries 57 units for four years, something is awry," he said.

Residents who can afford to live in such places would definitely not want a restaurant, a bar or a convenience store like a 7-Eleven below them. Until recently, developers considered grocery stores and housing mutually exclusive as well, said Don Milliken, president and chief executive of the Milliken Development Group, which built the TriBeCa in Seattle -- a 51-unit condominium over a deluxe Safeway grocery store.

"All the things that retailers care about are quite different from those that residential developers are focused on," Mr. Milliken said, adding that one goal is to make sure that "residential users aren't fed up with the noise and smells of retail."

THE movement is being fueled by the increasing difficulty of finding good locations in cities. To satisfy the needs of commuters tired of commuting and bored empty nesters heading back to the cities, big-box retailers are considering even small and marginal lots as building sites, topping them off with housing.

"It's easy to see a bonanza in the making," said Richard Longstreth, a professor of American studies at George Washington University and the author of "City Center to Regional Mall: Architecture, the Automobile and Retailing in Los Angeles, 1920-1950" (MIT Press, 1997). Young professional singles and couples, he said, increasingly prefer an urban environment.

Cities, in turn, are taking on the trappings of suburbia: the multiplexes, the Starbucks shops and chain stores and the big-box retailers with giant parking garages. Putting them all together is a "new urbanist" idea -- mixing living and working spaces -- gone vertical.

"It's a 'back to the future' configuration," said Michael D. Beyard, a senior resident fellow at the Urban Land Institute, a land-use research center in Washington. What has changed is the scale. "As far as pure big-box stores," Mr. Beyard said, "it is a brand-new phenomenon."

Yet in this new configuration, there are still problems. Mr. Shipka noted that he has heard from condo residents about parking, because his plans did not separate residents' parking from the Best Buy spaces.

Daniel Schaefer, who runs a nursing agency from a third-floor condo directly above the Best Buy, complained about the noise from a bus stop and a hot-dog vendor on the corner. And he dislikes the cigarette smoke from store workers on break.

"I'm not too happy," said Mr. Schaefer, who lives in a unit he bought as an investment. "I don't know how much longer I'll stay."

But the noise, said Sy Karlin, the condo association's president, "is part of city life." In April, Mr. Karlin, 57, and his partner moved to Lincoln Park Commons, fleeing the suburbs -- the yardwork, the koi pond and the snow shoveling -- after two years.

Richard Lake, a developer who is putting four floors of condominiums on structural stilts over two new stores, a Best Buy and a Container Store, in the Tenleytown section of Washington, said the trick is to separate the housing and the stores. The stores occupy 77,000 square feet in a former Sears building, a 1942 landmark that sits atop a subway station. The 204 condominiums going on top, designed by Shalom Baranes, a Washington architect, have their own parking, entrances and structural and safety systems. Not to mention some of the best views in the city -- the building is on the highest hill in the district, overlooking the Potomac River valley..

"You don't want to know you're on top of a Best Buy once you're up there," Mr. Lake said.

A few weeks ago Margie Ruttenberg signed up for a one-bedroom unit with a den overlooking an interior courtyard of the building, which is called Cityline at Tenley. "I won't have a view, but at least I'll have quiet," she said. And she will be able to walk to her job at NBC's local television affiliate, where she is the executive news producer.

Ms. Ruttenberg, 40, would not say what she paid for her condo, to be completed early next year. One-bedroom units on the top floor have sold for \$450,000; larger units with a view are nearly \$1 million. The condos went on the market in late May, and by July 90 percent of them had been sold.

"I just jumped on one," Ms. Ruttenberg said. "I love the look. I love the location." Hardwood floors and Berber carpets will be standard; kitchens will be finished in wood and granite.

Janet Cheng, a biologist in Seattle, is buying the model unit of the TriBeCa. "I wanted to be in the downtown area and be in the thick of things," said Ms. Cheng, 38. She rejected high-rises with underground parking. "I wanted to pass by a store before I go back into my unit, where you can pick up some bread or wine on the way home and drop off the dry cleaning and talk to a few people."

A neighbor in the building, Bill MacVicar, uses the downstairs Safeway as if it were a pantry. "They have the deli, a Starbucks and ready-made meals, on top of the regular grocery stuff," said

Mr. MacVicar, 40, an insurance adjuster. "I'm, like, the world's laziest guy. The TriBeCa is a block from every human need, including the theater, the gym, the basketball arena, a sports bar -- tons of bars."

Another Seattle developer, John Marasco, director of multifamily development at Security Properties, has learned that mixing huge retail with huge residential development can lead to equally huge headaches. Last year, his company opened 128 rental apartments above a 23,000-square-foot PCC Natural Markets store, a Peet's coffee shop and a sushi bar in the Fremont neighborhood.

"There are synergies between residential development and a grocery use, but they also have a lot of things that aren't complementary," Mr. Marasco said. "The grocery store is a sanitary environment, and the grocery store can't have its clientele thinking that the sewage above is being pumped through their space, which it is." (Even though it poses no health hazard.)

There is also the problem of getting delivery and garbage trucks in and out quietly without disturbing tenants. Mr. Marasco has had to restrict the grocery store's trucks to 6 a.m. to noon. "The grocery complains," he said.

Chris Green, 40, a lawyer, shops at the PCC store every other day, dropping down from the one-bedroom apartment he rents for \$1,300 a month directly over it. "I don't keep anything in the fridge," he said. "I'll go out and buy some bulk stuff at Costco. Everything else I need, I can go one floor down on the elevator."

That is music to Mr. Marasco's ears. "From a grocer's perspective, they're looking for an advantage -- any advantage -- because they're getting killed by Wal-Mart," he said. "In the urban areas, it's going to be difficult for Wal-Mart to come in and take their market share away."

Unless a Wal-Mart moves into a big city and puts a giant condominium upstairs.