

Analysis: Downtown housing can expand

Expert says "master developer" is key to effort

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PEORIA - Downtown Peoria and the adjacent Warehouse District could add between 160 and 200 living units annually if the development of this area is properly "orchestrated" and embraced by local developers, a new market analysis shows.

"The demand is there," said Erik Doersching, executive vice president and managing partner with Tracy Cross & Associates Inc. of Schaumburg, the company that performed the analysis. "Now, (Peoria should) figure out who will orchestrate (the development), and get the developers in who will commit."

According to the report, there is the potential for 168 new rental units - 102 of those from the redevelopment of buildings already within the Warehouse District into loft apartments. In addition, the report shows on an annual basis, there could be an additional 16 "for sale" condominiums and 10 row or townhomes within the district.

Doersching's presentation Tuesday before a group of city officials and local developers at City Hall accounted for the local housing and rental demand in a five-county area closest to Peoria. That data was condensed into how it might apply to residential living within a redeveloped Warehouse District.

That district encompasses an area just south of Downtown Peoria along the riverfront. Empty brick buildings that mostly line the well-traveled Washington Street are targeted locations for this redevelopment.

Doersching suggested a "master developer" be considered by city leaders as a way to "eliminate cross competition" of individual developers in this area. A master developer, which could be appointed by city officials, would plan the area's development and provide guidelines.

Having a master developer, Doersching said, is key in getting the development started.

"If it's not investigated, you run the risk of it being sporadic type of development instead of a homogenous effort to really be forward thinking on how every product

fits in," Doerschling said. "A master developer would know not to introduce products that cross compete with one another and cannibalize each other."

Downtown developers, like Pat Sullivan, emphasize that in order to attract those units and the developers willing to invest in the Warehouse District, the city needs to move ahead with making critical improvements to that area's infrastructure - sewers, sidewalks and lighting.

There are incentives for this. Property tax breaks are available for developers within the Warehouse District since it is located within a tax-increment financing district.

"The biggest thing with all these talks is infrastructure," Sullivan said. "This is the most critical thing."

Doerschling's company was hired several months ago by the council for about \$30,000 to perform an analysis of the residential real estate market within the Warehouse District.

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