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## **O&S, Strategic Get Approval for \$1B MXD Use**

By [Gina Kenny](#)

JOLIET, IL-O&S Holdings LLC, based in Santa Monica, CA, and Strategic Retail Development, based in Hollywood, FL, have received city approval for the Bridge Street Town Centre development. The Joliet City Council unanimously approved the 314-acre development at the intersection of Interstate 55, Interstate 80 and Route 59, here. The nearly \$1-billion mixed-use development, **which had been estimated** at about \$800 million a year ago, is expected to have 3.5 million sf of retail, office, hotels and residential space, says Gary Safady, managing partner with O&S Holdings.

The partnership expects to break ground early next year on the development. The project includes about 1.7 million sf of retail, including big-box stores, restaurants and upscale small shops. The center will additionally have a 75,000-sf Regal Cinemas, as previously reported by GlobeSt.com. Regal Entertainment Group, based in Knoxville, TN, has a long-term lease for the property with a term between 15 to 20 years for a movie theater with between 16 to 18 screens and at least 3,000 seats, Safady says.

Regal is the only tenant the partnership is announcing at this time, but approximately 70% of the space is committed and the partnership is in negotiations with two department stores, he tells GlobeSt.com. The asking lease rate range for the retail is between \$30 per sf and \$80 per sf, Safady says. The center is expected to open in 2010. The Chicago office of CB Richard Ellis, O&S Holdings and Strategic Retail Development are handling the retail leasing.

The site, at the intersection of two highways and a main thoroughfare, is unique in that there is not a large shopping center or major retailers for about 15 miles. "There is very few, if any, cannibalization on existing stores," he says. Approximately 250,000 cars drive past the site each day on Interstates 55 and 80, Safady says. "The city of Joliet and the surrounding area is one of the fastest growing areas in the US," he says.

Bridge Street Town Centre will also have 96,000-sf, including some office space above retail. About 15 acres will be an office park constructed by a developer the partnership is currently in negotiations with, he says. About 800 residential units are planned for the development. Another developer will create 20 acres of multifamily, and between 25 and 35 acres of single family homes and townhomes.

The mixed-use development is also expected to have two hotels, Safady says. One of the hotels is expected to have about 150 rooms and a conference center, with the other hotel expected to have between 100 and 150 rooms, he says. The mixed-use development is estimated to generate \$407 million in tax revenue during the next 20 to 30 years and create more than 4,700 jobs, according to a released statement on the project from O&S Holdings. Development Design Group, based in Baltimore, is designing the project. OWP/P, based in Chicago, is the architect and engineer of record and the Joliet office of Jacob Hefner Associates Inc. is providing civil engineer and survey services.

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