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Vision And Experience Bring New Retail Project To Fruition In Difficult Economy

If the last 18 months or so was a ‘perfect storm’ that combined a plunging economy with the worst financial market turmoil since the Great Depression, then it’s fair to ask which captains have been able to navigate through the storm. One of those captains, at least in commercial real estate development, is Erwin J. Plesko, founder and president of E.J. Plesko & Associates, Inc (“EJPA”).

Plesko is a veteran real estate investor and developer with more than three decades of experience in Florida, and his vision and experience are evident in his latest retail project. In November, Plesko cut the ribbon at a store opening for Millenia Crossing’s anchor tenant, Nordstrom Rack – the second of just two Florida locations for the retail chain.

Millenia Crossing, a 100,000 square foot retail center located next to Orlando’s nine-year-old Mall at Millenia was developed on the last available large parcel in one of Orlando’s strongest submarkets. And the center was one of the few retail projects in the area completed and opened in 2009, during a very tough economy.

Connected to traffic

Shoppers have direct access to the property from the mall as well as from IKEA – two large traffic generators that will

are 30 percent to 70 percent off the usual retail.

“We are very excited to be representing E.J. Plesko in his leasing efforts at Millenia Crossing. It’s a submarket that has remained strong, even in this difficult economic climate,” said Genny Spies, vice president at CNL Commercial Real Estate. “Nordstrom Rack is a reputable retail brand that will bring high foot traffic into the center, which is very attractive to other retailers desiring to break into the Mall at Millenia submarket.”

EJPA has engaged Genny Spies and Christin Jones of Orlando-based CNL Commercial Real Estate to lease the project. CNL Commercial Real Estate will seek out local, regional and national specialty retailers and restaurants to fill the rest of the space.

Other Millenia Crossing tenants include Party City, Vitamin Shoppe, Anthony’s Coal Fired Pizza, Relax the Back and Mattress Giant. As Florida Investor went to press, more than 74% of the existing 90,000 square feet of retail was leased. In addition, a 10,000 square foot pad site is available for ground lease or build-to-suit.

Deep familiarity with the market

There is little doubt that one of the main reasons that EJPA was able to complete

strongest retail submarkets was a savvy move, it wasn’t the result of good luck. EJPA has been making investments in real estate in Florida and across the country for three decades.

Founded in 1976 by Erwin J. Plesko, the privately-held company is based in Madison, Wis., and has regional offices in Fort Lauderdale, Chicago, Minneapolis and Sacramento. The company is active in the development and management of community and neighborhood shopping centers, senior housing communities, planned single-family and multi-family residential communities and other commercial properties.

EJPA’s portfolio nationally includes 310,000 square feet of office space, 2.2 million square feet of retail, 907 senior housing units and 674 apartments. The company’s Florida holdings include the development of park place car storage, an existing 400,000-square-foot warehouse/commercial building in Fort Lauderdale, and retail commercial real estate in Sarasota, Fort Lauderdale and Homosassa Springs.



“It will be a period of consolidation and improving the assets you own,” he says.

With the new development of Millenia Crossing, Plesko has demonstrated his willingness to make a commitment to



help bring shoppers to tenants at Millenia Crossing and make it a desirable location for retailers looking to expand.

“We worked closely with the city to create a well-designed retail project that relates visually to the mall and to IKEA,” said David Gevers, Director of Development for EJPA. “The project uses high-end stone finishes and links to IKEA with a courtyard and connecting pathway.”

Not only will the Mall at Millenia and IKEA help draw shoppers to the development, Nordstrom Rack itself will be a strong attraction. It carries merchandise from Nordstrom stores and Nordstrom.com at prices 50 percent to 60 percent lower. It also stocks brand-name apparel, accessories and shoes for the entire family – products purchased expressly for Nordstrom Rack and offered at prices that

Millenia Crossing and lease out most of its space during an extraordinarily tough economy was EJPA’s familiarity with the Mall at Millenia submarket, Orlando and the state of Florida.

With a lifestyle center in mind, EJPA initially came to the mall area by acquiring 20 acres of property, now a Target site. Later, in the aftermath of 9/11, the company moved forward with a purchase agreement for the current Millenia Crossing site, which at that time included the land that became the present IKEA location.

Today, the entire acreage has a full retail focus as Millenia Crossing stands on the remaining nine acres, plus a ground lease of two additional acres for a total potential development of 100,000 square feet of retail.

Though investing in one of Orlando’s



In addition to more than a decade’s involvement in the real estate that now serves as Millenia Crossing, the founder of the company has interests in Orlando that extend back more than 30 years. In 1971, Plesko made a deal with the Greater Orlando Aviation Authority for a ground lease of a 25-acre parcel, where he developed a strip center with Kmart/Publix.

After recently renegotiating the ground lease with the Greater Orlando Aviation Authority, EJPA and Weingarten Realty partnered to redevelop Colonial Landings, a premiere power center located on East Colonial Drive that features more than 260,000 square feet of retail. The \$21 million shopping center renovation has brought new energy and fresh retail concepts to the Colonial market, including PetSmart, H.H. Gregg, Bed Bath & Beyond, Sports Authority and Jo-Ann Fabrics.

Plesko believes 2010 will be good for developers with capital, patience and vi-

good investments no matter how scary the economic storms are at hand. All it takes is vision, experience and a steady hand at the tiller.

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