

Tinley firm to assist in Lincoln Mall redevelopment



A Tinley Park firm will work with Matteson officials on a plan to redevelop the shuttered Lincoln Mall in that suburb. (Zbigniew Bzdak / Chicago Tribune)

By **Mike Nolan**
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A Tinley Park real estate developer will work with the village of Matteson on a plan to redevelop the shuttered Lincoln Mall in that suburb.

The village, in a news release, said that Mack Developers Inc. will work with the village to develop a master plan for redevelopment of the property, southeast of the intersection of Cicero Avenue and U.S. 30.

Mack Developers is part of Mack Cos., a residential and commercial real estate firm.

Opened in 1973, the mall closed in January 2015. The mall's remaining anchor store, Carson Pirie Scott, owns its store and remains open for business.

Mack Developers will have up to six months to prepare a redevelopment plan, which would need to be approved by Matteson's Village Board, Brian Mitchell, village administrator, said.

Ownership of the mall is still in the hands of New York real estate developer Michael Kohan, who bought it for \$150,000 at a property tax auction in 2012, Mitchell said. Matteson is still involved in a lawsuit against Kohan regarding the mall's upkeep.

Should Mack Developers' proposal be approved, ownership of the 48-acre site would be transferred from Kohan to the village, which in turn would hand it over to the new developer, Mitchell said.

Matteson would pay Kohan for giving up ownership of the mall, but a dollar amount for the transfer has not yet been set, Mitchell said.

Also, he said the village recently completed the purchase, for \$525,000, of [Sears Holdings'](#) property at the mall, which includes the retailer's vacant anchor store space and adjacent parking areas. That is immediately southeast of Carson's property.

Not having ownership of Sears' 10-acre piece would create "a pretty big hurdle for a developer" tackling a redevelopment of the overall site, Mitchell said.

In July, a Chicago firm, Hunden Strategic Partners, prepared a market analysis of the property for Matteson. Potential uses suggested in the study include multifamily housing, specifically apartments, and town homes, along with other components, such as a water park or youth sports complex, restaurants, retail and office space.

The village said that any master plan for the property will incorporate the recommendations made in that report, but the percentage of space occupied by any particular use will be refined based on the findings of Mack Developers.

In its study, Hunden estimated the total development budget for the project would be \$79 million, and public incentives to induce redevelopment of the property would be about \$20 million.

Mitchell said that a combination of residential and retail uses would likely be part of any plan ultimately approved by village officials. How much space is set aside for residential uses and what percentage will be occupied by retail will be determined by what the market can support, he said.

The Hunden analysis noted a dearth of available apartment space in Matteson, which, in part, is keeping millennials from returning to live in the village after college. The firm suggested the site could support up to 125 apartment units and 50 town homes.

Any apartments that would be built "would be market-rate rentals" and a "good product for the community," Mitchell said, adding it was "way too early to say what those price points (rental rates) would be."

Before any redevelopment plan for the property is approved by the Village Board, it will get a full vetting before village residents and other stakeholders in what will be an "inclusive process" to map out the mall's next chapter, Mitchell said.

"We're going to be transparent," he said.

While Mack Developers will have as long as six months to come back with a proposal, Mitchell said it might be sooner than that. He said that a number of developers were interested in partnering with Matteson on the redevelopment project, but that Mack's local expertise in commercial real estate was a deciding factor.

In an April 2015 news release, Jim McClelland, Mack Cos.' chief executive, cited Lincoln Mall as an example of how a mixed-use development could be tailored to fit a communities' demographics in redeveloping a moribund mall.

Rather than simply "trying to replace a failed model with more of the same," meaning relying on a retail-heavy re-use of the site, a "community within a community" could be built, noting how other towns have incorporated things such as senior care facilities and youth activity centers in redeveloping failed enclosed malls.

A redevelopment of Lincoln Mall will involve demolishing, with the exception of the Carson store, the remaining empty space of the nearly 1-million-square-foot property. How that happens and who'll pay for it will be questions answered once Matteson settles on a redevelopment plan, Mitchell said. The mall property is in a tax increment financing district, and TIF funds can be used for things such as demolition and infrastructure work.

When Kohan took ownership of the mall, he accepted responsibility for unpaid real estate taxes — estimated in Hunden's report as approaching \$3 million — and promising to make much-needed repairs to the property. Matteson, in the summer of 2013, sued to force the mall's closure, citing numerous building code and fire safety code violations.

A court-appointed receiver was named after the lawsuit was filed to take over operations of the mall, and the Cook County judge overseeing the village's lawsuit, in November 2014, determined the mall would close after the holiday shopping season that year.

The village had sought proposals from companies to make the mall property viable again, either by reusing the existing building or tearing it down and starting over. Matteson officials rejected two redevelopment concepts.

Village trustees gave a thumbs-down to a plan by Top Sports to spend \$80 million or more to put a hotel, indoor-outdoor water park and ice rink in the mall. They also voted unanimously to turn down Beitler Real Estate's vision of building apartments, housing for senior citizens and retail space on the land.

mnolan@tribpub.com

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