



New life for old Libertyville dealership

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A mothballed Libertyville car dealership could see new life as a retail center with space for four restaurants.

A visit to the former Miller-Krueger Dodge site at Milwaukee Avenue just north Route 176 could be a completely different experience, according to a plan under review by the village.

"I think downtown Libertyville has a tremendous need," says Jeffrey Silverman of MJK Real Estate Holding Co., of Deerfield. "To amass two acres in a downtown urban area is difficult these days."

MJK is proposing to clear the site for two buildings that could contain about 19,000 square feet of retail space. The end spots on each building are planned for restaurant uses.

Among the proposed tenants is Five Guys Burgers and Fries, which originated in the Washington D.C. area and expanded since 2003 to more than 300 locations nationally. Chicago and Oak Park are the only Five Guys locations in Illinois.

Chipotle Mexican Grill Inc., and a to-be-determined breakfast-type operation with a drive-through window are other planned users.

MJK was said to have been one of several developers interested in the spot just south of Libertyville's well-known downtown shopping district. The dealership was purchased by a local auto group in 2007 and the Dodge brand moved.

The property, which had been active for at least 30 years as a dealership, has been vacant since late last year.

In a down real estate market, developers are picking their spots. The location, number of people living nearby and high-traffic volume quickly generated interest.

"With maybe 1,000 dealers closing down nationally, there's going to be a lot of opportunities for developers to recycle these sites for retail and restaurant uses," said John Melaniphy III, a retail consultant.

MJK developed the Fountain Square complex in Waukegan, according to Silverman. He said banks have become more selective about lending for projects and developers need to put up more cash upfront. The percentage of signed leases needed to get a project started also has increased, he said.

"We were able to get some competitive proposals because of the response from the tenants, but the rules have changed dramatically," he said.

Libertyville planners say the design, which is proposed to have buildings fronting the sidewalk with parking in the back is intended as an extension of downtown.

"You don't hear of banks lending for retail development right now," said Heather Rowe, the village's economic development coordinator. "It's indicative of the attractiveness of our retail corridor."

MJK plans to buy the property contingent on village approval of a site plan, special use for a drive-through and variances to allow for parking in the rear and no building setback from the sidewalk.

The village's plan commission is scheduled to consider the request next month. If the process moves smoothly, ground could be broken in August and the project completed in March 2010, Silverman said.

Dwindling revenue is a concern for village officials. Libertyville's share of sales tax has dropped from \$8 million in 2001 to an estimated \$6 million for 2009-10, mainly due to a decrease in auto sales.

Restaurants have remained strong, however. The village's share of sales tax from drinking and eating places for July, August and September, the most recent figures available, increased by about 11 percent over the same period the previous year.