

The Importance Of Integration

Developers create SoDo, a 700,000-square-foot urban infill Main Street-type development on 22 acres in Orlando.

Jaime Lackey

Just south of Downtown Orlando, on South Orange Avenue between Grant Street and Crystal Lake Street, SoDo celebrated its grand opening in October. The 22-acre, 700,000-square-foot development features 308 apartment units, 370,000 square feet of retail space and 75,000 square feet of office space.

SoDo is a joint development of New Hyde Park, New York-based Kimco Realty Corporation; Cincinnati-based North American Properties; and Atlanta-based Wood Partners, which developed the residential portion. Cleveland, Ohio-based Cupkovic Architecture LLC handled the planning and design of the project.



An aerial photo of SoDo shows the project's multiple uses on a relatively small parcel of land.

"This is the quintessential urban in-fill driven by a rock solid mix of retail tenants," says Ralph Conti, executive vice president of development for the Southeast for Kimco Realty.

SuperTarget anchors the project with a 184,000-square-foot store. In conjunction with the project's overall design scheme, Target designed its own store with rooftop parking in order to fit into the plan. (Typically, a 184,000-square-foot SuperTarget with parking in front would take up as much as 18 to 20 acres by itself.)

"Target understood the sales potential that this location provides," Conti says. "The company was really creative and looked at all sorts of options." He notes that this is the only SuperTarget in the country with rooftop parking.

Additional anchors include a 27,000-square-foot T.J. Maxx and a 50,000-square-foot two-level 24 Hour Fitness. All three anchors opened in time for the 2008 holiday season.

"This is a great lineup," says Seth Layton, executive vice president of the Florida region for Kimco Realty. "These anchors bring the kind of traffic that other retailers and restaurants look for."

Additional retailers will begin opening in January or February 2009, with all retail tenants open by the end of 2009. Signed retailers include Flipper's Pizza, Verizon Wireless, Nature's Table Café, The Fish Spa, Olv Café, Massage Envy, Rockn' Joe's Coffeehouse + Bistro, Mattress Giant, Taco Bell, Banco Popular, Twist Asian Fusion, Jason's Deli and Hair Cuttery. Four leases with national tenants are pending. When these are signed, the retail component will be approximately 70 percent leased.



SoDo mixes office, residential and retail uses near downtown Orlando.

Susana Hernandez-Hazzi, director of real estate with Kimco Realty Corporation, expects additional leases to focus on professional services and tenants that complement SuperTarget and T.J. Maxx.

The property features three integrated parking decks: one to serve the retail component, one to serve the residential component and another to serve the office component.

According to Layton, it has been challenging for retailers to understand the project. "It is difficult to understand SoDo by looking at a site plan or marketing brochure," he says. "The retailers had to see it to understand how the anchors and the parking are integrated. Leasing has really taken off recently — now that retailers can visit the completed project."

"Driven by Target, T.J. Maxx and 24 Hour Fitness, the project quickly gained momentum," Conti says.

"We also took great care in looking at how the project will ultimately operate — a significant aspect of any mixed-use development," he adds. "Most [potential] tenants that decided to wait on the sidelines to see what this project would look like, want to be in the project now that they can walk it. SoDo is very pedestrian-friendly and the cross-shopping experience is maximized."

The developers decided to include a limited amount of speculative office condominium space in the project because the site is near the downtown corridor and very near the Orlando Regional Medical Center, a major driver of job growth in the city.

Morrison Commercial is handling the office leasing and is currently negotiating with two companies for large blocks of space.

Wood Partners began marketing the residential apartments in early October and had 44 leases pending within a month.

"It was challenging to create a product that not only aligned with the city's vision, but also could deal with the tenants' needs and expectations, as well as meet consumer demand for a truly unique experience," according to Conti.

"Mixed-use is all about execution," Layton adds. "You have to have the right set of circumstances, like we did. There has to be demand for retail, demand for apartments, and demand for office. There have to be high barriers to entry and a municipality willing to work with the developer."

Conti continues, "Metro Orlando remains quite stable despite the overall economic situation. This particular area of Orlando is experiencing a resurgent growth with the Orlando Regional Medical Center expansion and there is also a very stable population base on the east side of South Orange Avenue. This is a mature market that was largely underserved. These residents were going to other areas of Orlando to shop and had high expectations for a quality development."

Conti says the site works well for a mixed-use project of this scale because of its close proximity to the core of a major metropolitan area, its proximity to a major employer, its regional accessibility and its stable population base in the immediate trade area.

"There is tremendous density within a 1-, 2-, and 3-mile radius," Layton adds. An estimated 8,620 people lived within a 1-mile radius in 2007; an estimated 108,556 lived within a 2-mile radius, and an estimated 278,808 lived within a 3-mile radius.

According to Layton, SoDo illustrates that well-planned, quality projects in the right location can be extremely successful despite the slowness in the economic environment.

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