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Old Navy work to start Monday in 'power strip'

By Gerry Gilmour

Old Navy is officially coming to the Fargo-Moorhead retail market. "We'll start work Monday," Chicago developer Gary Pachucki said Tuesday, while in Fargo to finalize plans for the \$11 million Westgate Commons project. The project also includes Famous Footwear and Linens 'n Things outlets.

Old Navy, an affordable-fashion store popular with teen-agers and parents of elementary school children, will be the top draw in the 119,000-square-foot retail "power strip." The project will be constructed immediately east of Menards and Sunmart on the south side of busy 13th Avenue East.

Old Navy will lease from The IBT Group LLC, according to Pachucki, who is president of the Chicago-based real estate company. Also signed on the dotted line are Linens 'n Things, which sells bedding and home products, and Famous Footwear, which sells name-brand dress, casual and athletic shoes.

Space for the three signed retailers (34,000 square feet for Linens 'n Things, 25,000 square feet for Old Navy and 10,000 square feet for Famous Footwear) will be completed and turned over to the retailers in June, according to Ken Mullin, project executive for The IBT Group.

Retailers should be ready to open by fall, he added. Site work begins Monday, followed by foundation work.

Olaf Anderson & Son of Fargo has been hired to build Westgate Commons. The retail space will be constructed of steel and concrete block, Mullin said.

"We'd like to get started on the foundation before the site turns to mud," Mullin said. Marshalls, a large clothing retailer Pachucki was courting, is apparently no longer interested in the project.

Pachucki said he is still working to sign a retailer for a second-phase, 50,000-square-foot addition to Westgate Commons. Construction of that phase should begin this summer.

"We're negotiating with several potential tenants," he said. Old Navy has been eyeing the growing Fargo-Moorhead retail market for the past two years. The Forum in October reported that The IBT Group had filed plans with the city of West Fargo and was in negotiations with Old Navy and Linens 'n Things. Old Navy is a subsidiary of Gap Inc. The company started as Gap Warehouse in 1994 and became Old Navy the following year. It has grown from just 59 stores in 1995 to more than 500 today.

Founded in 1975, Linens 'n Things is one of the nation's leading "large format" retailers of home textiles, housewares and home accessories. The company operates 244 stores in 40 states. According to the company's Web site, sales of "linens" (bedding, towels and pillows) accounts for about 60 percent of sales.

The flip side, "things" (housewares and home accessories), accounts for 40 percent, compared to just 10 percent 10 years ago. Famous Footwear is a division of the Brown Shoe Co. (remember Buster Browns).

It was founded in 1960 in Madison, Wis., as Neil's Factory Outlet Shoe Store and grew to a chain of 36 stores. St. Louis-based Brown Shoe Inc. bought the company in 1981. Today there are more than 900 Famous Footwear outlets nationwide. According to its Web site, the company offers brand-named footwear "10 to 50 percent off manufacturer's suggested retail prices." The company is still based in Madison and operates a 750,000-square-foot distribution center in Sun Prairie, Wis., and another in Lebanon, Tenn.

The IBT Group was founded in Chicago in 1999. Its principals, including Pachucki and Mullin, have developed more than 2 million square feet of retail buildings nationwide since 1990.