

Real Estate

A retail hot zone develops

By **Lenay Ruhl**, September 9, 2015 at 12:00 AM



Plans for The Crossings at Conestoga Creek include pocket parks such as this one. - (Photo / Illustration / Submitted)

Lancaster County seems to have it all — a thriving local business scene downtown and chain retailers on the outskirts of the city. A melting pot when it comes to retail, new developments are on the way, increasing competition for current businesses.

In reality, for every one store that opens, you might see one store that closes, according to Bob Gorland, vice president of Matthew P. Casey & Associates. With more than 30 years of experience, Gorland specializes in retail and supermarket feasibility studies and works at the company's Harrisburg office.

New retail includes the recently announced The Crossings at Conestoga Creek and the Shoppes at Belmont, both in Manheim Township. With these lifestyle shopping centers on the way by 2018, existing businesses may have to upgrade to stay in the game.

“After 2018, you have a situation where the strong will survive and those that are weak will die,” Gorland said. “You’ll always have that happen.”

Despite the seeming divide between the local businesses downtown and big retail options in the suburbs, a blending of the two is part of the plan.

New retail coming

The newest proposal, The Crossings at Conestoga Creek, aims to meet people's needs while connecting multiple communities.

High Real Estate Group LLC recently announced plans to move forward with The Crossings at Conestoga Creek in Manheim Township, a development across from Long's Park that has been in the works since the mid-2000s.

Originally proposed as a lifestyle shopping center, the plan now includes a large anchor store, two or three junior anchors and additional retail spaces. The Main Street shopping design, with benches, pocket parks, a water feature and an outdoor fire place, will be pedestrian friendly and encourage people to spend time there.

The Crossings will also include restaurants, a hotel and a 258-unit, upscale apartment building. The center will require improvements to the highway and roads surrounding the location as well as a creek that runs through the property, at a project cost totaling \$100 million, according to Ken Hornbeck, vice president of development at High Associates Ltd., an affiliate of High Real Estate Group.

Although the anchor store is selected, the retailer cannot yet be disclosed. High Real Estate Group could say only that there has been interest expressed both by Lancaster residents and by the company to open the store.

The Shoppes at Belmont is proposed for Fruitville Pike at Route 30, which will bring a **Whole Foods Market** to Lancaster. R.J. Waters & Associates Inc., a commercial real estate firm from Kennett Square, is developing the plan.

What makes Lancaster a magnet?

Although new shopping options could be a threat to current businesses, Gorland commented on the strength of independent grocery stores in Lancaster County. The family-owned markets cater to the local culture and are "very well-run and very well-established." These independent stores are part of Lancaster's small-town charm.

Yet, Gorland sees the demand for larger specialty stores such as Whole Foods Market and Wegmans. And once such stores plan moves to the growing county, smaller markets will need to upgrade. He predicts an increase in improvements to independent stores, such as new lighting, additions and product lines.

Lancaster is continuing retail growth that began, in part, with development of the Tanger Outlets. The growth is abetted by population gains. The county has a population of about 540,000, and the Pennsylvania State Data Center expects an increase of 122,370 more people by 2040.

H. Stephen Evans, senior vice president and managing director of the retail division at High Associates Ltd., sees Lancaster as a regional draw because of its strong, enclosed regional mall, a vibrant city and the great deal of investment that's been made during the past 10 years. He also credited the growing economy to Lancaster General Health's expansion and predicts growth will continue with the health system's recent partnership with Penn Medicine.

Gorland sees Lancaster as a retail hub because of its proximity to Philadelphia and Wilmington, Del.

"There's not much between them," Gorland said.

A local downtown

Downtown Lancaster continues to have a local focus.

Daniel Betancourt, president and CEO of Community First Fund, doesn't see national retailers moving into downtown Lancaster anytime soon.

"Lancaster is very fortunate," Betancourt said. "Most of its retail is owner-operated, which is part of the charm and the attraction of Lancaster city."

Yet right outside of town, residents have access to larger, chain retailers.

The Crossings will provide not only more than 700 new jobs and \$7.5 million in annual sales, but also \$2 million in property taxes. The Crossings also will create infrastructure that better connects East Hempfield Township and downtown Lancaster to the shopping center, as well as Long's Park.

Plans include upgrades to Route 30, widening Harrisburg Pike and creating an extended turn lane for entering The Crossings, as well as improvements to roads in East Hempfield Township.

The pedestrian-friendly complex will connect to trails in East Hempfield Township's Noel Dorwart Park, as well as provide a sidewalk that connects the city to the new shopping center and Long's Park, something that does not currently exist on that stretch of Harrisburg Pike.

"For the very first time, a citizen of Lancaster city can walk to the city park," Evans said.

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