

The Fresno Bee



There's a good chance some big-name stores will open in Fresno in the near future

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Would an IKEA store ever open in Fresno? Or a Dave & Buster's arcade and restaurant?

Fresnans love to sound off on which companies they think should come to town and the likelihood that they will. The conversation exploded on social media recently after Walmart announced it was taking over the former Mervyns store at Ashlan and Blackstone avenues, inspiring shoppers to detail their own retail wish lists.

The good news is that Fresno is poised to grab some big names that are new to the market and some new or expanding local businesses. In fact, at least four new-to-Fresno national retailers are looking for large spaces in town, says retail broker Steve Rontell of Colliers International.

The population here is growing and the retail market is evolving — and that's appealing to retailers on the hunt for new locations, says Lewis Smith, a commercial real estate agent with Retail California:

"Retailers have to expand, and sooner or later Fresno comes onto their radar."

The region may see more mini versions of large retailers, like Office Depot's small-store format on Shaw Avenue in Clovis, or a store along the lines of a Nordstrom Rack, Rontell says.

Some new retailers will take over big vacancies in existing shopping centers — like the former World Sports Cafe space in River Park — and some will hold out for new centers that aren't built yet. Several new shopping centers are on the horizon, including Fancher Creek in southeast Fresno and future phases of the Marketplace at El Paseo at Highway 99 and Herndon Avenue. Work is expected to start soon on the "Fresno 40" property at Friant Road and Audubon Drive, a project that will have retail on the ground floor and offices on the upper floors.

A smattering of large buildings are still empty across the city.

Rontell and other brokers won't say which companies are sniffing around Fresno. Those details are hush-hush while lease negotiations happen, and retailers are usually not announced until leases are signed. But Rontell does say that there are companies exploring the area looking at spaces ranging in size from 25,000 square feet — the same size as the former Borders space in River Park — to about 50,000 square feet, the size of the current Fresno Ag store.

So which businesses does the city have a shot of landing? And which ones don't have a snowball's chance in a Fresno summer of coming here?

Dave & Buster's

Fresnans have long said they would love to have Dallas-based Dave & Buster's here. It's a restaurant, bar and arcade featuring everything from old-school games like Pac-Man to modern, multi-player simulation games — sort of a playground for adults and kids accompanied by adults.

"I think you'll see a Dave & Buster's in Fresno in the next three years," Smith says.

Another retail broker, Rachael Orlando of Retail California, agrees. Similar businesses in the entertainment-and-food category, such as John's Incredible Pizza, already do well here — a sign that Dave & Buster's would, too.

"There is room for someone to come in and do well," she says. "Fresno likes family-friendly entertainment. I think Fresno would support a business like that."

Retailers will often look at how well similar businesses are doing when they consider moving into an area. That's one area where consumers have some say, Orlando says: If you want a certain business to come to town, frequent ones that are similar to it.

Nordstrom

If it's a Nordstrom department store you're looking for, keep dreaming.

"We love serving Fresno with our (Nordstrom) Rack, but we don't have plans for a full-line store at this time," says Nordstrom spokeswoman Brooke White.

That's likely because of the incomes and the population base that Nordstrom wants in areas where it puts its stores.

"They're looking for higher incomes, people with disposable incomes," Smith says.

It's always a numbers game when retailers consider a location. Rontell says they'll look at factors such as average household incomes, employment rates, how many people graduated from college. Opening new stores is expensive and retailers want to guarantee that it will be worth their while.

"You've got to make sure you've got a home run before you open the doors," Rontell says.

So while opening a big-name retailer on Fulton Mall might do wonders for downtown, companies are much more likely to go to existing shopping centers where people are already spending lots of money, or new ones where they'll be nestled among other high-profile retailers.

Some retailers won't even look at a community unless it has a population of 1 million in the immediate vicinity, Rontell says. Fresno and Clovis, including unincorporated county islands, has a population of about 650,000.

IKEA

If Fresnans are willing to drive a few hours to a regional retailer like an IKEA, the company might not open here because it has already snagged that customer, Rontell says.

IKEA spokesman Joseph Roth says no stores are planned for the Valley in the immediate future. The retailer has just 38 stores in the U.S., typically serving a population of at least 2 million within a 40- to 60-mile drive. Fresno has about 1.68 million people within a one-hour drive of Highway 99 and Shaw Avenue.

"It's nothing personal. It's just the population," says Roth, a Stockton native who gets that the Palo Alto and West Sacramento stores aren't convenient to Fresnans.

Still, retail brokers are reluctant to rule out the possibility of an IKEA in the years to come.

"You have a better chance of an IKEA in the next five to seven years than you would a Nordstrom," Rontell says.

As the population grows and the housing market heats up, the chances increase, he says.

Expansion

Sometimes Fresno's wish list isn't about new names coming to town, but the expansion of retailers that are already here into new neighborhoods.

Some Fresnans would love to see the tiny Lululemon store in Clovis move or expand to a bigger store that is in Fresno. Tower District residents have long said they'd love to see a Trader Joe's in their neighborhood, instead of traveling to the stores on North Blackstone Avenue or in Clovis.

A few weeks ago, a rumor — it wasn't true — circulated that Dollar General was moving into the former Fulton's Folly building on Olive Avenue, which caused a virtual freak-out on Facebook among Tower District residents.

It brought up the topic of Trader Joe's again and inspired debate about whether a Trader Joe's would ever open a location in the Tower District.

A Trader Joe's spokeswoman says the company's two-year plan doesn't include any new stores in the Fresno area. The Fulton's Folly space is smaller than the average Trader Joe's. And since Visalia has been begging for a store with a decade-long letter-writing campaign and can't get one, don't count on a third store in the Fresno-Clovis area anytime soon, Rontell says.

But long term?

Shoppers in the Tower District would support it, Retail California's Smith says. "Probably not in the near future, but at some point, I could see that happening."

Open spaces

Just about the only sure thing is that high-profile vacancies will be filled.

The former World Sports Cafe at River Park will attract a tenant. So far, the shopping center hasn't fallen in love with any of the businesses showing interest, says spokeswoman Tracy Kashian. Word that the Dog House Grill would take over the space was just a rumor, she says.

Management is open to a restaurant or a store in the space. Now that H&M has confirmed it will open this year in the former Borders space, retailers that like to be near H&M in other cities may be more interested in moving to River Park, Kashian says. H&M stores in other mid-sized cities are often accompanied by stores such as clothing and accessories retailer Apricot Lane, department store Dillard's, jewelry and accessories store Icing and Dave & Buster's.

More businesses are headed to Campus Pointe, the new development near Fresno State by the same company that started River Park. This center has a local emphasis, Kashian says.

Already confirmed for the center is a Mad Duck brewery, which is an expansion of the local restaurant of the same name in Clovis. Also going to the center are Wahoo's Fish Tacos, Cold Stone Creamery, Yogurtland, several other restaurants and a nail salon and spa. Wok It Out is a fast-service restaurant by the people behind Dai Bai Dang. And Pieology Pizzeria, which also plans to open a location in Fig Garden Village, is planning a Campus Pointe location.

Lots of vacancies remain, however, including space for a hotel and a grocery store, Kashian says.

Even if Fresno never gets the big-name retailers on its wish list, it's still a healthy market with lots of successful businesses, Rontell says.

"Don't be discouraged just because we don't have a Nordstrom department store and an IKEA here. We still have a great mix of restaurants, of retail here, and they don't have to be chains."

<http://www.fresnobee.com/2014/02/22/3786770/which-retailers-will-come-to.html>