

Plain Dealer
2/2/07

SHOPWATCH Attracting customers is vital for any merchant. In this regular feature, *The Plain Dealer* looks at retailing trends and strategies.



PHOTOGRAPHS BY CHUCK CROW | THE PLAIN DEALER

A peace lily blooms in the heated houseplant area of the Home Depot garden center at Steelyard Commons. Heaters keep the department at a toasty 68 degrees. The store employs 120 full- and part-time employees and will hire 40 more this spring

Shoppers drop in at Steelyard

Opening of Home Depot in new retail center draws thousands

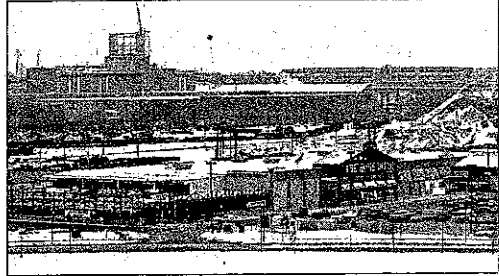


Janet Cho

Thousands of shoppers flocked to Home Depot on Thursday, the first day of business for Cleveland's largest and most ambitious retail center.

By this fall, the \$120 million Steelyard Commons will be home to a half-dozen big-box retailers, from a 124,000-square-foot Target Store to a 217,000-square-foot Wal-Mart Supercenter.

And that's just phase one. Developer Mitchell Schneider, president of First Interstate Properties Ltd. said he's



Steelyard Commons officially opened for business at 6 a.m. Thursday with the 130,000-square-foot Home Depot on the north end of Steelyard Drive. The next retailer to open will be a 124,000-square-foot Target store on March 11

wooning department stores, warehouse stores and bookstores to locate in Steelyard Commons phase two, which

opens in fall 2008. But will Cleveland be able to support all these stores? "This is going to be the busi-

est shopping center that we've ever built," he said. He points to a study by the Northeast Ohio Areawide Coordinating Agency that estimated Cleveland residents spend more than \$600 million at suburban locations of the very retailers he's bringing in, and said there's more than enough pent-up demand to support a development three times the size of Steelyard Commons.

"The 600 people waiting at Home Depot the night before it opened is just a taste of the volume of business and the level of interest," Schneider added.

Home Depot store manager Mike Collins agreed. Wednesday night's preview of the opening drew twice as many people as expected.

SEE SHOP | C6



CHUCK CROW | THE PLAIN DEALER

Pat Mullen of Lakewood examines a champagne bubbler tub in the bathroom showroom of the Steelyard Commons Home Depot. The American Standard tub retails for \$2,352.73.

SHOP

FROM C1

Home Depot opening draws thousands

Collins had to order sheet pizzas and wings when the cake and coffee ran out.

Collins, a Cleveland native, expects Steelyard Commons to draw customers not only from downtown Cleveland and Tremont but also from the city's East and West sides. He said the store would also be more convenient to them than the Home Depots on West 117th Street or in Brooklyn, Euclid, Rocky River, Maple Heights and Cleveland Heights.

At 130,000 square feet, the Steelyard Commons store boasts a number of features unique to this location, including a 28,000-square-foot garden center with a heated houseplant area, a lighting and ceiling fan display with 300 fixtures, an extensive carpet and flooring department, 37 kinds of refrigerators and a spacious, 2,000-square-foot bath showroom.

Home Depot now employs 120 full- and part-time employees and will hire 40 more this spring as part of its national campaign to hire 15,000 people nationwide, said Donna Ortiz, human resource manager. The 34 stores in Northeast Ohio will hire a total of 250 people.

Cleveland retailing analyst Robert Antall, chief executive of LakeWest Group LLC, said there's no question that the region has too many stores and doesn't really need any more big-box stores.

However, the idea of clustering them in a single, sprawling development has been very successful in other markets, and the fact that Best Buy, Old Navy and Target don't have locations in Cleveland now "seems to make sense," he said.

"It's probably a good thing for the city of Cleveland."

The Wal-Mart Supercenter coming to Steelyard Commons this September, the city's first, will give Clevelanders another shopping choice, said Ron Mosby, Wal-Mart's senior manager of public affairs in Cincinnati. It will employ about 450.

He said there are more than enough customers to support the Wal-Marts at Steelyard Com-

mons, CityView in Garfield Heights, Severance Town Center in Cleveland Heights and other locations.

"From a business standpoint, we feel very confident that each store we build is going to be very successful," he said. "We build stores where we feel we'll get the greatest return on our investment."

"When you've got 10 McDonald's within a two-mile radius, do people ask if one is going to draw from another?" he said.

As for those who fear Wal-Mart will drive out locally owned businesses, he countered: "What we have seen in our experience is that small businesses love the fact that Wal-Mart comes to a community, because Wal-Mart drives traffic to those sites. Wal-Mart helps small businesses, as opposed to any old wives' tales" that say otherwise.

Antall said he agreed that, with some exceptions, the notion of Wal-Mart's impact on smaller retailers has been overblown.

"When I have to go to get a couple of screws for some small item, I'm not going to go to Home Depot or Lowe's," he said. "I'm going to go to the local hardware store."

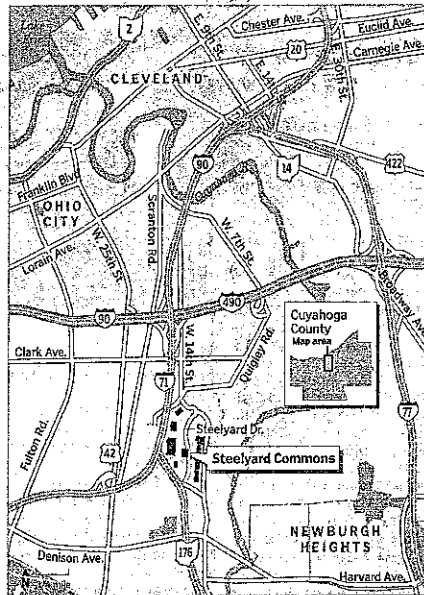
"I think it's good for the city of Cleveland. The competition will be good. I think it'll keep everybody sharp."

But not everyone is convinced.

Marie Kittredge, executive director of the nonprofit Slavic Village Development group, cited a recent study, paid for by Schneider, that suggested Steelyard Commons could leave stores like Dave's Supermarkets vulnerable. The study also suggested that independent merchants and big-box stores can indeed coexist if the independents find a niche.

"That was real valuable insight into the strength and weaknesses of neighborhood retail," Kittredge said. "Home Depot isn't going to compete with anything here. But I do have to scratch my head and wonder how many Home Depots we need within a five-mile radius."

Stacy Mitchell, senior researcher with The New Rules Project, a program of the Institute for Local Self-Reliance in Minneapolis, said building enormous stores surrounded by huge parking lots "destroys what makes city life appealing and could potentially destroy the last vestiges of locally owned independent businesses."



THE PLAIN DEALER

From Downtown
I-71 South to Ohio 176 (Jennings Freeway) South exit at Steelyard Drive

From South
I-71 North to Steelyard Drive.
I-77 North to I-480 West to Ohio 176 (Jennings Freeway) North, exit at Steelyard Drive.

From East
I-90 West to I-71 South to Ohio 176 South, exit at Steelyard Drive.
I-480 West to Ohio 176 North, exit at Steelyard Drive

From West
I-90 East to I-71 South to Ohio 176 South, exit at Steelyard Drive
I-480 East to Ohio 176 North, exit at Steelyard Drive

From near East Side
I-490 West, exit West Seventh Street to Quigley Road South to Steelyard Drive

Her 2006 book, "Big-Box Swindle: The True Cost of Mega-Retailers and the Fight for America's Independent Businesses," includes a critical essay on Lyndhurst's Legacy Village called "Blighted Landscape."

"I doubt that [Steelyard Commons] will bring in suburban shoppers in any significant numbers," she said. "The majority of revenue will come at the expense of other businesses already in the city."

"How many neighborhood grocery stores are you going to

lose?"

Burt Saltzman, chairman of Dave's Supermarkets, said he can't say what impact the Wal-Mart Supercenter will have on his 12-store chain, including four stores near Steelyard Commons.

"Time will tell," he said. "Do the people of Cleveland want to shop big-box stores? I don't know."

To reach this Plain Dealer columnist: jcho@plain.com, 216-999-5069
Previous columns online: cleveland.com/columns