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New restaurants, a bar and a store arrive this spring at Aksarben Village.

While the mixed-use development continues to progress, it has not wholly escaped the recession. Plans for a movie theater have been delayed about six months. Here's an update on the newest retailers and the status of the entertainment zone.

Entertainment zone: Movie screens' premiere delayed

By Christine Laue

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The recession has delayed by at least six months construction of Aksarben Village's entertainment complex, which will be anchored by a 10-screen movie theater.

Also because of the economy, construction will occur in phases instead of all at once, the developer said.

"With the economy and the size and scale of the movie theater, it makes sense to build that first," said John Hughes, president of Magnum Development Corp., the developer of the entertainment complex. It sits on Mercy Road between 67th Street and Aksarben Drive.

Other phases, including a building with a fitness center and another building with a signature restaurant, won't start until after the movie theater construction is well under way, Hughes said.

Developers said last fall that they planned to open the theater, fitness center and two restaurants simultaneously in fall 2009. Now the plan is to open the movie theater in late summer 2010 and to proceed with the other phases after that, he said.

"Our vision remains the same, we're just going to phase things differently," Hughes said. "Hopefully, it doesn't get delayed any further. But that's the biggest problem with the economy today is the uncertainty."

The development company now is "working hard on the financing and design," Hughes said.

Banks today are more thorough in underwriting construction loans, requiring more cost estimates and other details, he said.

"Everything just takes so much longer these days. We used to have three meetings to borrow \$30 million, and now you have 30 meetings to borrow \$3 million. . . . Previously, it took longer to get ground, or the hardest part was zoning. Today the hardest part is getting financing."

To save money, developers have lowered the height of some outside walls — a move that ended up adding visual interest, Hughes said.

Otherwise, the 65,000-square-foot building is the same — 46,000 square feet for the theater and 18,000 square feet for restaurants and traditional retail uses.

The cost of the first phase is about \$17 million, Hughes said.

The delay has affected at least one other business.

Paradise Bakery & Café signed a lease about 1 1/2 years ago for a space in a building being developed by Noddle Cos. across 67th Street from the entertainment zone, said Greg Cutchall, chief executive officer of Cutchall Management, which owns the Omaha Paradise stores.

The restaurant planned to open in fall 2009 or whenever the entertainment zone opened, because Cutchall sees it as essential to the restaurant's success. The restaurant likely won't open this year, he said.

Opening a 4,500-square-foot restaurant that employs 50 people and can seat 180 people is expensive, and his company can't take that risk before regular traffic arrives, he said.

"Our success is tied to the entire project," Cutchall said. "Unfortunately, we're not a destination like Wal-Mart — we need the traffic around us. We have to have a certain amount of synergy around us to be able to stay in business."

He said that his company is committed to and believes in Aksarben Village but that it makes sense to wait rather than open early and fail.

"We really don't have an issue that it's taking longer than anticipated," he said. "If it turns out we have to pay the lease and not open, we'll pay the lease and not open. . . . The committed businesses to that development will make it a very sustainable location for us when they are complete."

He cited several examples of that future traffic, including Blue Cross Blue Shield of Nebraska. The state's biggest health insurer will move about 1,000 employees to a 10-story office building in Aksarben Village by spring 2011.

Hughes said the theater company, Main Street Theatres Inc., also is bullish on Aksarben Village, and is willing to wait.

"The good news is that Main Street truly has not wavered one bit in light of the economy and everything else in its commitment to build here," Hughes said.

While the economy has made the entertainment zone's development more challenging, Hughes sees the extra work as being worth it. "We're not trying to catch some wave in the market," he said. "This is a 20-year commitment."

Aksarben Village retailers, businesses

■ Juice Stop

What: The company's third Omaha location selling custom-made, all-natural smoothies.

Leasing: 900 square feet for 10 years.

Opening: In mid-April.

Employees: 8 to 10 part-time.

■ Paradise Bakery & Cafe

What: The third Omaha location of the quick-casual restaurant serving baked goods, quiches, breads, soups, salads and sandwiches.

Leasing: 4,500 square feet.

Opening: To be determined. The store's owner said he had planned to open when an entertainment complex with a 10-screen movie theater opened, to ensure enough foot traffic for the restaurant's success. The movie theater opening has been pushed back six months, to late summer 2010.

Employees: About 50.

■ Godfather's Pizza

What: Pizza restaurant.

Leasing: 3,700 square feet.

Opening: Date unavailable.

Employees: Unavailable.

■ Kinghorn Gardens

What: The landscape contracting company's new location for its design center.

Opened: March 9.

Leasing: 700 square feet for five years.

Employees: Four full-time, existing employees. (Those four move to the new Aksarben Village office, while the design center's previous location, 8024 N. 28th Street in Florence, remains for the company's bookkeeping and color and maintenance group employees.)

■ Security National Bank

What: The Omaha-based bank's 14th location, with three drivethrough lanes and one ATM lane.

Opened: November 2008.

Leasing: 3,900 square feet.

Employees: Declined to disclose.

■ Wohlner's Grocery

What: The neighborhood grocery's new location, after closing its longtime store at 5205 Leavenworth St.

Leasing: 17,000 square feet in a long-term lease.

Opened: October 2008.

Employees: 47 full- and part-time.

■ **Learning Headquarters**

What: Teacher specialty store.

Leasing: 2,500 square feet for seven years.

Opening: Late April.

Employees: One full- and four part-time.

■ **Liv**

What: Classic cocktail lounge.

Leasing: 3,100 square feet for five years.

Opening: May 1.

Employees: 16 to 20 full- and part-time.

Sources: Travis Meyer, owner of Juice Stop; Greg Cutchall, chief executive officer of Cutchall Management; Audri Godfrey, first vice president marketing director at Security National Bank; Bryan Kinghorn, president of Kinghorn Gardens; Mike Schwartz, owner of Wohlner's Grocery; Amy Coacher, owner of Learning Headquarters; Sam Hohman, owner of Liv; Kyle Peterson, a senior associate at Grubb & Ellis/Pacific Realty.