

New overpass remaking north I-Drive and future of Artegon



The Artegon Marketplace is in an area of North International Drive where growth has stalled because it's hard to navigate, but a new I-4 overpass may change that. (Jordan Krumbine/staff photographer)



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Artegon Marketplace's two-year experiment with the former Festival Bay Mall is coming under pressure from a new Interstate 4 overpass set to remake the North International Drive area.

After spending millions on marketing and construction, and making millions more by selling two outparcels, mall owner Lightstone Group has put the Artegon property up for sale. Growing interest in North International Drive might create a big demand for the the Artegon parcel.

"Because of this, we received unsolicited interest from numerous investors and decided to engage a brokerage to formalize the process of gauging wider interest," said Lightstone spokesman Rick Fuerman. "Lightstone is

extremely proud of Artegon's success and, as we consider all options, we look forward to continuing to own and manage the property."

The new owner would have a strong reason to market the property, said Jorge Rodriguez, director of retail services in Central Florida with Colliers International.

"You've got 14 million people a year at Universal, and with this new overpass it will be a quick drive or an Uber away," Rodriguez said.

A new overpass over I-4 will connect Grand National Drive and Oak Ridge Road on the south side of the highway to Caravan Court on the north side, giving North International Drive additional access to Universal Orlando Resort. Plans also include future access to I-4 express lanes.

Some real-estate professionals say the area around the mall and the International Premium Outlets has become a "no-man's land" because it's hard to access from the interstate.

International Drive at Sand Lake Road and farther south has seen rapid growth with new projects such as I-Drive 360 and the proposed SkyPlex project. But growth north of Sand Lake Road along I-Drive has been slower, partially because it's hard to navigate, Rodriguez said.

North American Properties wants to develop 130,000 square feet of retail, apartments and possibly two hotels on a nearby Grand National Drive parcel, anticipating new traffic. It paid about \$16 million for 16 acres.

"I can tell you why we want to build there and it's because of the [infrastructure] that's being built," said Shawn McIntyre, a partner with North American Properties.

The Grand National Drive overpass is expected to be finished in summer 2017, with six to eight lanes.

North International Drive already has one of the area's largest retail attractions with the International Premium Outlet Mall.

Some unoccupied properties on International Drive and the smaller strip shopping centers could be targets for developers as well, said Bobby Palta, a real estate broker and first vice president at CBRE.

"There is a lot of demand in the tourist areas," he said. "There are big new projects and nice restaurants. There's room on the north side for that."

Artegon Mall's owner has already shown there is increased interest in the property since it bought the 100-acre Festival Bay Mall space in 2011 for about \$30 million.

A year ago, Lightstone sold the attached Cinemark Theaters property for \$13 million. A \$4 million renovation is in the works. Then Lightstone sold the Bass Pro Shops property for \$17 million. After selling another \$3.8 million worth of unused land on the periphery, Lightstone has already made its money back, Rodriguez said.

"They are a big real estate group, so they are there to make money," he said. "Anything they can get out of operating the mall at this point is profit."

But a potential sale could also mean the end of business for about 150 retailers that call Artegon home.

Misty Wheeler-Belin and her Florida Soap Co. business opened at Artegon's debut in November 2014.

"I always knew there was a possibility it would sell when I started," Wheeler-Belin said. "We're owned by a real estate company and this is a business."

Before opening at Artegon, Wheeler-Belin was making her soap at home and selling it at local events. She now operates one of the largest "artisan" shops at the shopping center.

"The price to put a store in another mall was just too much when we started," she said.

Florida Soap Co. recently partnered with Lightstone to put a shop in Manhattan, she said.

Still, she doesn't think Artegon will sell.

"This place has invested in the artisan vendors here and spent millions on marketing," she said. "I think they are just putting it out there to see if there is a price they can't walk away from."

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