

UPDATE Last updated: October 9, 2007 11:50pm

Arboretum Snags Gold Class Cinemas as Tenant

By Gina Kenny

SOUTH BARRINGTON, IL-Village Roadshow Gold Class Cinemas has signed a 15-year lease at the Arboretum of South Barrington, a 600,000-sf lifestyle center at the intersection of Illinois Routes 59 and 72. The cinema will lease about 40,000 sf and will have eight screens, says Michael Jaffe, president of Northbrook, IL-based Jaffe Cos., which is developing the lifestyle center. Reef will be a capital partner for the \$200 million project being constructed on an 86-acre site.

Gold Class Cinemas is "redefining the movie experience particularly for adults and affluent families," Jaffe says. "It is really a shift" from movie theaters that are "targeted primarily at teenagers," he says. Each screen will have 40 reclining seats and will have valet service and food brought to patrons during the movie. The theater also has a full-service bar and lounge "rather than a lobby with popcorn," he says. There are currently Gold Class Cinemas locations in Australia, Singapore and Greece with no locations currently open in the United States. The South Barrington location may be the first one to open in the US when the lifestyle center opens in the fall of 2008, Jaffe says.

Construction on the lifestyle center began in May. Last month, Jaffe Cos. received a \$117.7-million construction loan that was arranged through Eurohypo A.G. by Chicago-based Draper and Kramer Inc. and the Dallas office of Holliday Fenoglio Fowler LP. The center is on a former tree nursery and is less than a mile from Interstate 90.

The first phase, which will be about 350,000 sf, is currently nearly 70% pre-leased, Jaffe says. The center will have about two-thirds apparel and home furnishings and about one-third entertainment and restaurants. Tenants will include Chico's, White House/Black Market, Ann Taylor Loft, The Limited Too, Aveda Spa, Soft Surroundings, Victoria's Secret, Bath & Body Works, Coldwater Creek, Coldwater Creek Spa, DSW, Panera Bread, Ruth's Chris Steak House, and Arhaus Furniture. The asking lease rates range from \$30 per sf to \$45 per sf net, he says. Jaffe Cos. is expected to announce more tenants in the near future including "some of the most well-known and successful names in the apparel industry," Jaffe said, but would not provide more details.