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## Doctors without Borders: Health system leases empty bookstore

By: Dave Matthews January 18, 2012

(Crain's) — The owner of a shuttered north suburban Borders Books & Music store has looked beyond retail for his property's next chapter, signing a medical practice to breathe new life back into the building.

NorthShore University HealthSystem signed a 15-year lease at the 24,500-square-foot former bookstore at Lake Cook and Waukegan roads in Deerfield, resuscitating a two-story building that stopped generating income last spring. The health system can exercise three successive five-year options to extend the lease, property records show.

"That's a phenomenal rebound, to re-lease to medical use," says Todd Cabanban, principal of Chicago-based retail brokerage Cabanban Rubin & Mayberry Commercial Realty. "They would be hard-pressed to find another retailer looking for two-level space."

Long Grove-based landlord Donald Piggott, who controls the venture that owns the property at 49 S. Waukegan Road, did not return a call.

Big, vacant Borders spaces continue to drag down shopping centers across the country more than a year after the bookstore chain Borders Group Inc. collapsed, even bringing some local landlords to the brink of foreclosure.

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And owners of two-story Borders stores have limited, expensive options, Mr. Cabanban says.

"The stairs or the escalators and the elevators most of the time are situated right in the middle of the first floor, so how do you create an entranceway for the second floor without it getting in the way?" he says.

The lease is a coup for Mr. Piggott, who chose to re-lease his property to a medical practice serving an affluent, aging area rather than pay significant buildout costs for a retail tenant. A spokeswoman with real estate firm Colliers International, which represented NorthShore in the lease, declined to comment.

NorthShore Medical Group, a network of more than 700 physicians affiliated with the Evanston-based health system, is moving 15 primary-care doctors from a smaller space just north at 190 Waukegan Road, a spokesman for the health system says. The doctors, who specialize in pediatrics, internal medicine, and OB/GYN, will collaborate with an adolescent psychiatry unit that is expanding from NorthShore's Highland Park hospital. The doctors plan to move their practice "later this year," a spokesman says.

"We have the opportunity to expand our programs and add more doctors to our existing practices, and this location provides us with that opportunity," says the spokesman, who declines to disclose further terms of the lease.

A principal of Oak Park-based Heritage Realty Services Inc., which owns the 10,138-square-foot building at 190 Waukegan, did not return a message.

Though Mr. Piggott was able to lure a lone tenant to fill his two-level building, other Borders landlords in similar predicaments may have better luck splitting space between retail and office, Mr. Cabanban says.

Landlords aiming to fill single-story spaces once filled by Borders are more fortunate and could entertain “hard looks” by growing mid-sized retailers like Indianapolis-based hhgregg Inc. or Pleasanton, Calif.-based Ross Stores Inc. Spokesmen for both retailers did not return messages seeking comment.

“A lot of (Borders stores) are in good real estate areas,” Mr. Cabanban says. “The real estate, fundamentally, is good at all of them.”

Walgreen Co. “has interest” in one such store, a 42,770-square-foot space at 2817 N. Clark St. in Lakeview, but has not signed a lease, says a spokeswoman for the Deerfield-based drugstore chain.

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