

## Cafe, store with local food planned for West Town

By: Frank Kalman May 16, 2011

(Crain's) — Two Cleveland natives hope their twist on the farmers market concept will catch on in Chicago.

Eric Mazzone and Jim Machniak, the creators of boutique grocery store Urban Orchards, signed a six-year lease at 688 N. Milwaukee Ave. in West Town, where the two plan to launch their first store later in the summer, says Mr. Mazzone. They're also scouting locations in Andersonville on the North Side and Pilsen on the Southwest Side for a second store, which they hope to open within a year.

But Urban Orchards faces competition from a growing number of upscale grocers, and health-conscious eateries are flourishing in the city's neighborhoods.

"This is becoming mainstream," says Mari Gallagher, principal of Mari Gallagher Research & Consulting Group, a Chicago-based food consulting firm.

For example, Native Foods Cafe LLC—which has seven locations — moved its offices to Chicago with plans to open its first restaurant outside of Southern California here early this summer.

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Urban Orchards' first location, about 4,600 square feet, is in a 59-year-old building that was renovated in 2007 by local developer Alexander Pearsall, who owns the three-story structure.

The store will feature a 3,000-square-foot patio for a cafe that will reinforce the "lifestyle" feel, says Ryan Clay, an associate broker with Titan Commercial Real Estate who represented Urban in the lease.

Messrs. Mazzone and Machniak say they derived the concept for Urban Orchards based on childhood memories of West Side Market, a well-known market in Cleveland, where they grew up.

"We wanted that same type of experience here in Chicago and we couldn't find it," Mr. Mazzone says.

Chicago's strong neighborhoods are something Urban Orchards' niche — local food, including beer and wine — should play nicely to, Mr. Mazzone says. Customers are "going to know that these potatoes they are buying came from a small farm northwest of Elgin."

Mr. Pearsall, a farm owner himself, says adding a tenant like Urban Orchards adds immediate value to his Milwaukee Avenue building.

He has the 27,444-square-foot structure on the market for \$5.5 million, according to real estate data provider CoStar Group Inc. He paid \$2.3 million for the property in 2006 and has extensively renovated it.

"It's only on the market to see what happens," says Mr. Pearsall, who declines to disclose financial terms of Urban Orchards' lease.

Urban Orchards will occupy the first floor of the building, whose upper floors mostly consist of office space.