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PAVING THE WAY

Developers bring new retail projects to areas of booming growth.

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As those in the real estate industry know, where the people go, retail must follow. However, certain areas of high population growth in Texas are lacking specialty retail centers. To fill the need for specialty shopping in these areas, several retail developers are going where the people are, allowing residents to find what they want close to home. *Texas Real Estate Business* recently spoke with these developers that are fitting retail to the niche of Texas' quickly growing areas.

The Shops at Highland Village

When Jacksonville, Florida-based Regency Centers realized that Highland Village, Texas, was lacking a specialty, lifestyle retail center, the company decided to take the initiative with The Shops at Highland Village. Comprising 341,000 square feet of retail and restaurant space and a 33,000-square-foot office portion, the new shopping center, which will be situated on 45 acres at the northwest corner of FM 2499 and FM 407, will fill the need for amenity-rich shopping in the area.



Regency Centers along with Hermansen Land Development plan to open The Shops at Highland Village in Highland Village, Texas, in October 2007.

"The location was chosen because of the void of this type of retail — the specialty, lifestyle shopping center — in the demographic, which demands that type of retail," says West Miller, senior vice president of investments at Regency Centers. "The distance from other competing retail areas was one of the main reasons for our impetus of focusing on this area."

As a result, Regency Centers is working to bring specialty lifestyle retail and service-retail tenants to The Shops at Highland Village. The company, which also leases and manages the project, has already signed or is in lease negotiations with Barnes & Noble, AMC Theatres, Ann Taylor, Ann Taylor Loft, Bath & Body Works, Claire's, Talbots, Chicos, Soma, White House|Black Market, Coldwater Creek, Coldwater Creek Spa, Eddie Bauer,

Francesca's, Banana Republic, Victoria's Secret, Ben & Jerry's Ice Cream, Shoe Pavilion and The Limited Two. The initial phase of third-party leasing is being handled by United Commercial Realty.

"Our center will be an amenity not only because of its uniqueness, but because of our tenants," says Miller. "The other three shopping centers at the intersection are value-oriented developments, with Wal-Mart on the northeast corner, Lowe's Home Improvement Warehouse on the southeast corner and Target on the southwest corner. The Shops at Highland Village will create an additional population that would like to have that quality of retail within their immediate residential area."

Miller also adds that the design, which he calls "state-of-the-art," will be an amenity to the project. The hill country design will include a lake and an interactive fountain, in addition to second-floor retail/office space. The center will also feature Wi-Fi wireless Internet and high levels of police, security and management.

Development partner, Hermansen Land Development was responsible for assembling the tracts of land and proceeding conceptual site plan approval with the city of Highland Village. Demolition at the project site is scheduled for this month, with a potential groundbreaking date set for May. Delivery date for tenants is set for spring to summer 2007, and Regency Centers expects the grand opening of the \$98 million project to be October 2007.

Miller believes that his company has found the right mix for the project to thrive. "Because of the quality of development and the line-up of tenants coupled with the demographics, it should be a very successful shopping center," he says.
