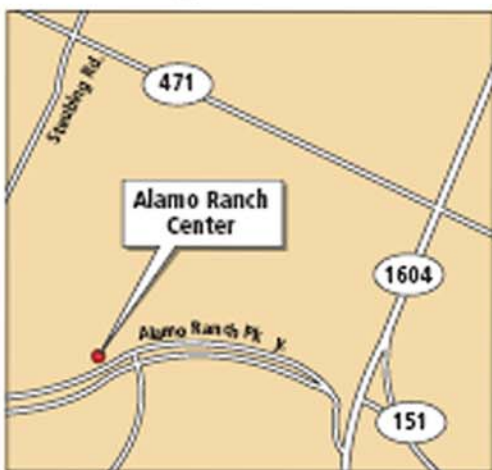


## Best Retail Development

### 2007 BEST IN COMMERCIAL REAL ESTATE

## Alamo Ranch Retail Center - Archon Group of Irving



**Summary:** Alamo Ranch, a 900,000-square-foot retail center is expected to open on the city's far Northwest Side by July 2008. The center will serve as a retail hub for a growing residential segment on San Antonio's Northwest side. A new nearby residential development, also called Alamo Ranch, is expected to support some 15,000 single-family homes over the next five years. And a recent report by Metrostudy predicts that the far Northwest and West sides of the city could experience as many as 80,000 new homes over the next two decades.



Taylor

**Developer:** Archon Group of Irving  
**General Contractor:** EMU Corp. of Irving  
**Architect:** MDN Architects of San Antonio  
**Engineering:** Pape-Dawson of San Antonio  
**Landscape:** Coleman & Associates of Austin  
**Major Players:** Lance Taylor, development manager, and Dan Watson, director of retail investment, both with Archon Group

**Size of the Deal:** The 900,000-square-foot retail center will encompass 120 acres of land bordered by Loop 1604, State Highway 151 and Culebra Road. It will be comparable in size to other recent retail developments such as The Forum at Olympia Parkway and The Rim at Loop 1604 and Interstate 10.

**Timeline:** Property under contract in November 2005. Deal closed in April 2006. Developers broke ground on Feb. 1, 2007, and expect to open in July 2008.

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MARCELA ROSGARY/SAN ANTONIO BUSINESS JOURNAL

Guyia Sineni and Nick Altomare of United Commercial Realty are leasing the Alamo Ranch retail complex.

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### Anatomy of the deal

Archon Group of Irving had been looking for a place to build a retail development in San Antonio in late 2005 when Dan Watson, their director of retail investment, found some property for sale near the intersection of Loop 1604 and Culebra on the far West Side.

"We have been very positive on San Antonio for sometime," Watson says. "There are a lot of positive economic factors in play there right now — big corporate headquarters, lots of job and residential growth — we are attracted to the outstanding real estate fundamentals."

This is Irving-based Archon Group's first large-scale development in San Antonio. About four years ago, the company acquired a portfolio of 10 former grocery stores from Albertsons when the grocery chain decided to pull out of the San Antonio market. Since then Archon has been looking for other opportunities to get into the local market.

"Our hope is that this will be the first of many projects for us in San Antonio," Watson says. After studying different cost estimates and growth rates for the area, Archon was able to put the property under contract in November 2005 and closed on the sale in April 2006.

Lance Taylor, development manager for Archon Group, says the size and scope of the project has presented some challenges along the way, but nothing that was insurmountable. After the initial land purchase, Archon had to deal with the fact that 39 acres of the property fell outside of the San Antonio city limits. City Coun-

cil was approached about annexing the 39 acres from Bexar County. Once this was accomplished, Archon had to request a zoning change to have the 39 acres match the rest of the property. While this process was time consuming, Taylor says, it was not impassable.

**'OUR HOPE IS THAT THIS WILL BE THE FIRST OF MANY PROJECTS FOR US IN SAN ANTONIO.'**

Dan Watson  
 Director of retail investment  
 Archon Group

During the interim period, Archon concentrated on finding tenants for the new development. The company hired United Commercial Realty of San Antonio to lease and market Alamo Ranch. So far, the project, which is expected to open in July 2008, is about 50 percent pre-leased. Some of the major tenants already signed on include Best Buy Co. Inc., Dick's Sporting Goods, OfficeMax, PetsMart, Ross Dress For Less, Marshalls and Parade of Shoes. There will also be separate, stand-alone projects by Target Corp., Lowe's and JCPenney Co., which all plan to build their own facilities.

Taylor says the location of Alamo Ranch is ideal for retailers because it places them in the midst of an area that is exploding in population.

"This is a natural fit for retailers to make



COURTESY OF ARCHON GROUP

An aerial view of Alamo Ranch retail development.

their next move," Taylor says. "It literally fills in a hole for them."

Taylor notes that the nearest retail center to Alamo Ranch is about five miles away at Loop 1604 and Bandera. "Residents will be able to get everything they need in one location without having to drive five miles," he says.

Watson notes that a five-mile spacing between retail developments is a good rule-of-thumb in the industry. He says the new Alamo Ranch development will reduce some of the congestion and overcrowding at the Bandera shopping center.

"This will eliminate the need for residents to drive up Loop 1604 to Bandera



COURTESY OF ARCHON GROUP

Architectural rendering of Alamo Ranch retail center.

or in to the Loop 410 corridor," he says. "Hopefully, this will reduce some of the traffic congestion at those intersections by giving shoppers some fresh alternatives."

Mike W. Thomas