

Memorial at Western retail hub planned

By Richard Mize Real Estate Editor

Quail Springs Crossing, a major retail-restaurant-entertainment center planned for Western Avenue at Memorial Road, will make the Quail Springs area “the largest shopping destination in Oklahoma City,” the developer said.

About 800,000 square feet of retail stores are planned, the developer said.

About 500,000 square feet of Class A office buildings and a planned hotel would extend the Memorial Road commercial corridor a mile east from its heartbeat, Quail Springs Mall and Quail Springs Office Park farther west, the developer said.

Developer keeping quiet

Retail Endeavors Group, based in Austin, Texas, would not comment, even though a detailed marketing brochure is online, at www.quail-springscrossing.com — and local representatives have stuck a big sign in the ground, announcing the project, on the southwest corner of Western and Memorial.

Oklahoma City’s NAI Sullivan Group is listed online — and on the sign — as local reps, but principal Bob Sullivan said the owner was six weeks away from talking publicly.

The brochure lists Ashley Furniture, Gold’s Gym, Main Event Entertainment and Rudy’s Country Store and Bar-B-Q as early tenants.

Quail Springs Crossing will be on the hard southwest corner of Western and Memorial Road/Kilpatrick Turnpike. Adjacent to the west will be the Offices at Highland Park, and west of that will be the Shops at Highland Park, on the hard northeast corner of Pennsylvania Avenue and an extended Highland Park Boulevard, south of the Wal-Mart Supercenter and Sam’s Club fronting Pennsylvania.

“Our center will bring the largest concentration of retail, restaurant and entertainment to Quail Springs and a new destination for Oklahoma City,” Retail Endeavors Group said in the online brochure.

The 171,362 households, population of 405,833 and average household income of \$63,403 within 10 miles will make the project successful, the developer suggested in the brochure.

Northside retail stress?

However, the area is showing some stress with some shopping centers dealing with vacancies from increased competition in recent years, especially along May Avenue from Northwest Expressway to the Kilpatrick Turnpike, according to analysis by Price Edwards & Co.

Retail competition is keen in north Oklahoma City, the realty firm reported in its 2007 year-end retail market summary.

North of Quail Springs Mall, a mixed-used project, an “open-air lifestyle community” called Quail Springs Village, complete with an IMAX theater, is under way by developer Larry Owsley.

South of Quail Springs but in the same trade area, Belle Isle Station Shopping Center “is leading a development rush to the area east of Penn Square (Mall),” Price Edwards said.

“Chesapeake Land Co., the major land owner in the area, has announced that a mixed-use development — office and retail — called Classen Curve between Grand (Boulevard) and NW 56 Street will be its first development of leased property,” Price Edwards said.

Price Edwards also pointed out that Chesapeake Land Co., an arm of natural gas giant Chesapeake Energy Corp., is working with planners to redevelop Chesapeake-owned Nichols Hills Plaza.

“When this redevelopment gets under way, there will be lots of excitement as Chesapeake has announced that it wants to bring tenants to this property that have not located in Oklahoma City before,” Price Edwards said.

Submarket still healthy

With 40 shopping centers totaling 6.2 million square feet, plus 13 freestanding retail stores totaling 715,810 square feet, the area “remains a very healthy submarket,” the firm reported, although the year-end occupancy of 93.8 percent was slightly lower than at the end of 2006.

In a retail submarket already showing some stress fractures, and with credit still tight — and with the developer remaining mum — news of the development raises some questions, said Carl Edwards, co-managing partner and a retail specialist with Price Edwards.

“Will they be able to get the financing to close on the land and build the retail project? That will depend on the tenants they’ve got,” Edwards said, noting that local lenders now require that major retail projects be mostly pre-leased before extending credit. That’s “one of the reasons Oklahoma City not overbuilt,” he said.

However, demand for retail space along Memorial and the turnpike is strong, he said.

