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## A MODIFIED INCENTIVE AGREEMENT COULD HAVE CONSTRUCTION OF OUTLET STORES START THIS SUMMER



Dirt work has started on the site for The Outlet Shoppes at Oklahoma City at Reno and Rockwell, as seen Friday.

PHOTOS BY PAUL B. SOUTHERLAND, THE OKLAHOMAN

# Site work begins for mall

## AT A GLANCE



Construction work has begun on the site for the outlet mall.

### OUTLET SHOPPES AT OKLAHOMA CITY

The size of The Outlet Shoppes at Oklahoma City is decreasing, from 340,000 square feet to 320,000 square feet. A report on the project to be heard by the Economic Development Trust on Tuesday indicates the mall is 80 percent leased, with tenants including the following retailers:

- > Saks Fifth Avenue Off 5th
- > Brooks Brothers
- > Tommy Hilfger
- > Jones New York
- > Nine West
- > Nike
- > Carter's
- > Banana Republic
- > Gap
- > Coach

### BY STEVE LACKMEYER

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Dirt work has begun, and a modified incentives agreement is set to be heard next week for construction to start this summer on a \$50 million factory outlet mall in far west Oklahoma City.

The original agreement, signed by the Oklahoma City Council in May 2008, called for the city to spend \$2.3 million on infrastructure for the site and sales tax rebates of up to \$550,000 a year over a decade as reimbursements for actual expenses.

Michigan-based Horizon Group hoped to open the 340,000-square-foot Outlet Shoppes at Oklahoma City at Interstate 40 and Council Road by fall 2009. Instead, the national economic crash put those plans on hold.

Brent Bryant, the city's economic development program manager, confirmed Friday that the Economic Development Trust is set to review a modified agreement Tuesday that increases the costs of infrastructure from \$2,395,000 to \$3,937,690. The increase includes \$1 million for a road that originally was to be built by Horizon, with the remainder of the increase reflecting revised estimates and not a change in the incentives' scope.

"They were going to build a public street, turn around and dedicate it to the city," Bryant said. "After 2008, the financing requires less debt and more equity — and this (the city paying for the street) is in response to them requesting more assistance. At the end of the day, this will be a public street."

Officials with Horizon

could not be reached for comment Friday. Bryant said the agreement requires Horizon to close on the purchase of the land, execute a construction contract and show proof of financing by Aug. 31.

Safeguards in the original contract remain, Bryant said. Those safeguards include providing documentation on sales and regional marketing expenses. The \$5.5 million allows Horizon to be reimbursed for up to \$550,000 in regional marketing costs for each of the 10 years.

Bryant added the reimbursement is structured so that it will not exceed 12.5 percent of sales tax revenues generated by the mall.

About 12,000 vehicles drive along I-40 at Council on a daily basis.

Alison Oshel, a retail

SEE MALL, BACK PAGE



A drawing is shown of a proposed outlet mall.

PROVIDED BY THE CITY OF OKLAHOMA CITY

# Mall: Marketing to target region

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specialist with the Greater Oklahoma City Chamber, said the mall's location and the marketing aimed at regional shoppers will help the local economy. She said the outlet mall will generate new sales taxes for Oklahoma City instead of shifting existing dollars within the city.

"It is extremely important because the outlet mall customer will drive significantly further than any other shopper," Oshel said. "This is a customer who will not only spend money at the outlet shops; they also will spend money to eat, attend our entertainment venues and perhaps spend a night or two in one of our hotels."

Oshel noted that only four outlet malls are in

the development stage nationwide.

"It's a great location," Oshel said. "Its proximity to Bricktown and the Adventure District means that the out-of-town customer really can turn what would otherwise have been just a shopping trip into a day or two of entertainment and dining in Oklahoma City. Being just off of I-40 and visible from the highway will also draw from those who would otherwise just drive through town without stopping."

Currently the closest outlet mall from Oklahoma City is in Gainesville, Texas — a 135-mile drive. The Outlet Shoppes at Oklahoma City is expected to generate 1,000 jobs with \$19 million in direct payroll.