

Small centers big trend

■ Smaller shopping centers are popping up along a stretch of New York Avenue in south Arlington.

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ARLINGTON — There are a lot of stores and restaurants being built in southeast Arlington, so it's hard to imagine there could be room for more.

But, along a stretch of about a mile of New York Avenue between Green Oaks Boulevard

and Southeast Parkway — very near where two massive shopping complexes are under construction — smaller neighborhood centers are popping up at virtually every corner.

If there isn't a building on any of the corners at intersections along that section of road, just wait. One is probably planned along that stretch of the street leading to the fast-growing Mansfield area.

That is in addition to the more than 1.5 million square

feet of total retail space being built at the Arlington Highlands shopping center on Interstate 20 and Lake Prairie Towne Crossing on Texas 360. The development is planned to cater to the growing number of houses being built in southeast Arlington, as well as Mansfield and western Grand Prairie.

Neighborhood centers, those shopping areas that have about 15,000 square feet for five or six tenants, can be lu-

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Chuck Precopia, president and broker for ART Properties, is developing the Shops at the Commons in Arlington.

CONTINUED FROM 1C

creative for investors because they are sought after by small-business owners and franchisees who can't afford the rent in the larger centers.

In the past several months, developers of the neighborhood centers have set their sights on far southeast Arlington. Development is going at a tremendous pace, and being done, in part, to keep up with the area's growth, developers say.

"The neighborhood growth justifies additional construction and additional neighborhood centers to accommodate needs," said Chuck Precopia, president of ART Properties, which is planning to build the Shops at the Commons, a 16,000-square-foot center at the southwest corner of New York Avenue and Syracuse Court.

The 1.7-acre center is across the street from Tarrant County College's Southeast Campus, where nearly 10,000 are students. The shopping center is also at the entrance of New York Commons, a gated community of 36 single-family houses being built by Prestige Homes.

"The college is in an expansion mode, which is good — and good for the area," Precopia said.

Scott Rose, a senior vice president in the retail division of the Weitzman Group real-estate brokerage who specializes in project leasing for neighborhood centers, said the phenomenon occurring in southeast Arlington is also happening in other areas of the Metroplex.

"Everyone at one time wanted to develop grocery store-anchored shopping centers, but we all saw what happened with that," Rose said. "Tenants don't necessarily need to be in those centers anymore. If the grocery store closes, it can put the small guy out of business."

New York Avenue is the first major north-south thoroughfare west of Texas 360, and it makes sense that as developers filter away from the highway, it would be there.

The shopping centers are being built to attract businesses that serve the neighborhood and can include franchises, such as a Subway Sandwich Shop, a coffee shop, nail salon and dry cleaner.

The smaller centers are also



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New businesses are open at College Crossing on the northeast corner of New York Avenue and Southeast Parkway in south Arlington. Developers are building more smaller neighborhood centers.

faster to build and easier to maintain, Rose said.

The franchise market is also hot right now, adding to the demand. Getting into the neighborhood center means paying less rent than going into the national tenant-anchored centers, such as Lake Prairie, which features SuperTarget.

When Steve Isbell, a principal in Strategic Equity & Investments in Colleyville, put together an investment group a few years ago to develop Cross Creek, on the northeast corner of New York Avenue and Green Oaks Boulevard, he knew that it would entail some risk. Demographics showed a good

number of houses in the area, but the group also figured that more would come.

The forecast was right. The development has attracted Dollar General and O'Reilly Auto Parts to occupy pad sites north of a 17,730-square-foot building that is still under construction. That building is about a month away from completion, and its first tenants include MilkyWay Coffee Shop and bGn Salon.

The investor group is now aggressively marketing a 34,720-square-foot pad site on the east side of the development.

Isbell said some of the success is because of Lake Prairie Towne Crossing, being developed by mega-shopping center developer Weber & Co. in Dallas.

"His presence in the area shows there is demand," Isbell said. "We're a different price point. My type of center, people want to pop in and pop out. They don't want to drive across large parking lots to get doughnuts. So far, the deal has gone great."

David Shelton, vice president of UCR Urban in Dallas, who is marketing Cross Creek, said demand for stand-alone pad sites at neighborhood centers is brisk, but they are attracting many more small-business owners.

At Cross Creek, for example, he negotiated with a man who wanted to open a barber shop, but the deal fell through

Neighborhood growth in southeast Arlington

1. Cross Creek Center
2. A planned retail, office and medical development
3. College Crossing
4. Shops at the Commons



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because the man was called back to active military duty and sent overseas.

"He wanted to be in the center because he lived in the immediate area and he knew the market," Shelton said.

Mark Cohen, president of Centerpoint Commercial Properties, which is leasing College Crossing, at the northeast corner of New York Avenue and Southeast Parkway, just north of TCC, was one of the first centers in the area. The 13,800-square-foot center was under construction last year and businesses, including a Subway franchise, began opening in April.

Cohen said College Crossing is 70 percent leased, and it should be close to being full by year's end.

The owners still have 10 acres to develop at that corner and are planning on building an additional 6,000 square feet of space.

Of that, a bookstore leases 3,500 square feet, and 2,500 square feet have been earmarked by a restaurant.

"I get more calls and activity out of that center," Cohen said.

The center is the first development for a local group of investors who own it, he said.

"They picked a good piece of land," Cohen said. "They were pretty smart about it."

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