

## 1890 Ranch expansion bucks declining construction trend

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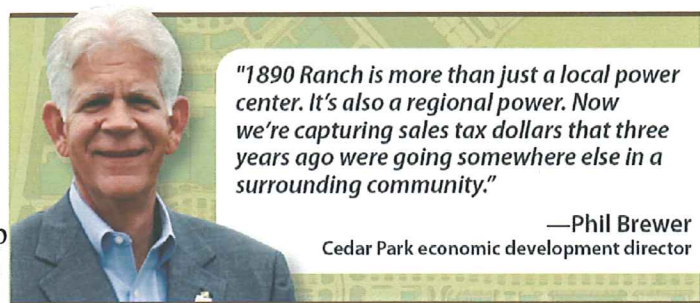
By Joseph M. de Leon Friday, 22 January 2010

By the end of 2010, shoppers at the 1890 Ranch Shopping Center will have a few more retail options. Endeavor Real Estate Group plans to break ground on the last undeveloped retail area in 1890 Ranch this spring.

The latest strip will be built on the western edge of the center, south of Cinemark Theatre and north of PetSmart.

The new building will add an additional 26,000 sq. ft. of retail space to the 825,000 sq. ft. shopping center. Plans call for a major restaurant to anchor the L-shaped building that could also hold two to eight stores.

Work crews plan to break ground on the new strip in April or May and could be open in time for the 2010 holiday shopping season.



The impact of the development goes beyond more choices for customers, Charlie Northington, principal of retail development for Endeavor, said. He continued to say that building out a shopping center during a slump in the market is a testament to how resilient the Cedar Park economy is and how good planning and a strong partnership with city officials can pay off.

"I think we have fared well because there is no competition nearby, we have a great location and we've branded the center as the place to shop in Cedar Park," Northington said. "Another thing that's been a huge factor is having city leaders that understand what we're trying to do and help us accomplish that."

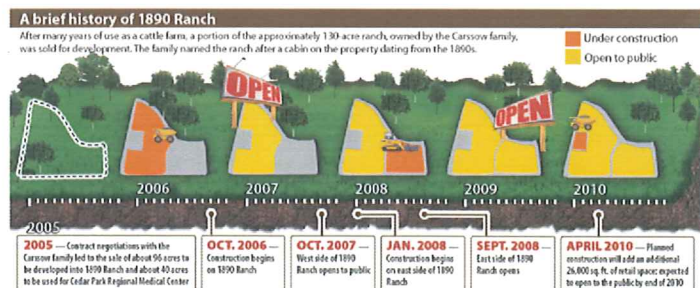
Over the past year, Endeavor has leased between 2,000 and 5,000 sq. ft. every month, Northington said. With only about 50,000 sq. ft. of available space left in late 2009, Endeavor staff decided to start construction on the project.

Northington hopes the new building will attract regional or national retailers who are not yet represented at 1890 Ranch and he said he expects to announce a handful of new tenants in the next six months.

### Boosting the economy

Phil Brewer, economic development director for Cedar Park, said before 1890 Ranch, much of the city's sales tax leaked out to Round Rock and Austin.

"From our perspective, 1890 Ranch has opened up new shopping, dining and entertainment opportunities that did not exist before in a



concentrated area in Cedar Park,” he said. “Now we’re capturing sales tax dollars that three years ago were going somewhere else in a surrounding community.”

Brewer estimates 1890 Ranch has brought to Cedar Park about 1,200 full-time job equivalents, a term used to describe combined full- and part-time jobs in a market. Assuming an average salary of \$10 an hour, that’s equivalent to \$25 million in annual payroll.

In 2008, 1890 Ranch paid more than \$330,000 in property tax, before a 25 percent reimbursement incentive. Since the shopping center opened, it has generated more than \$1.7 million in sales tax revenue for the city, Brewer said. Half of the money goes into Cedar Park’s general fund; the balance is split between the city’s 4A and 4B Corporation, which are economic development entities that can offer perks a city cannot.

“1890 Ranch is more than just a local power center,” Brewer said, referring to the center’s economic clout. “It’s also a regional power. We’re picking up folks from north of us in Leander, Marble Falls and other surrounding communities that would have driven all the way to Austin.”

## **Bucking the trend**

Over the past year, shopping center construction declined about 40 percent, according to a Jan. 4 International Council of Shopping Centers report. The report predicts a continued but less sharp decline in shopping center construction spending this year.

An estimated 140 million sq. ft. of new retail space opened nationwide in 2007, according to the report. Fewer new projects, less renovation and the lack of available money related to a downturn in the economy decreased that number to about 74 million sq. ft. in 2008 and a projected 44 million sq. ft. and 35 million sq. ft. for 2009 and 2010 respectively.

Despite the sour market, about 94 percent of space at 1890 Ranch has been leased out and only four stores have closed, Northington said.

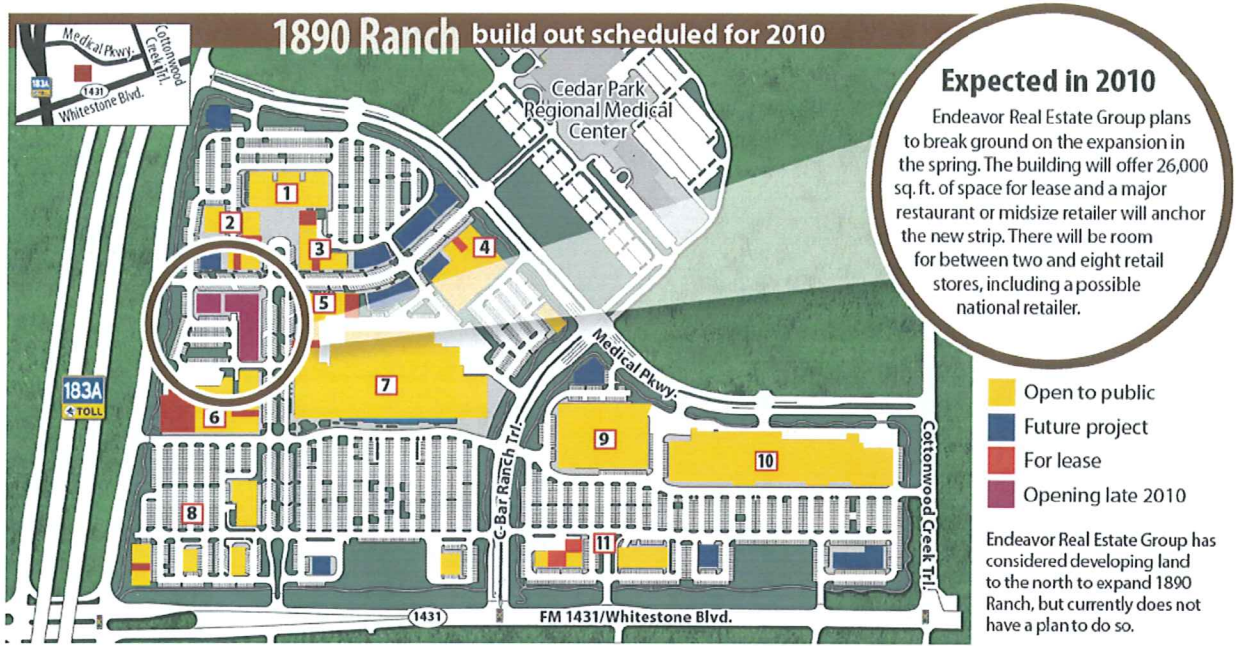
Other potential construction projects at 1890 Ranch include five sites that have been set aside for medical offices on the northern edge of the center between Cinemark and Gold’s Gym.

Vacancies at 1890 Ranch include space for a bank, a major retailer and about 16 smaller stores or restaurants. Once filled, the only way to add more tenants is to expand north to land neighboring the medical center.

“It’s logical, and we’ve looked at it from time to time, but right now, we don’t have any plans,” Northington said. “I’m glad we developed 1890 when we did. I’m proud to have it in our portfolio, and I’m happy with the impact it’s having on Cedar Park.”

## **1890 Ranch Shopping Center stores**

- |                       |                           |                   |
|-----------------------|---------------------------|-------------------|
| 1. Cinemark           | 5. Arttie<br>Breeze Salon | 9. Academy Sports |
| 2. Baskin-Robbins     | Half Price Books          | 10. Hemispheres   |
| Buffalo Wild Wings    | Mr. Notebook              | Hobby Lobby       |
| China Café by Phoenix | Pigtails and Crewcuts     | Mardel            |



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Jamba Juice  
 Nothing Bundt Cakes  
 Rocky Mountain Chocolate Factory  
 Which Wich

3. Hayashi Modern Japanese Cuisine  
 Rosie's Pho  
 Rudino's  
 Spicy Pickle  
 Taco Real

4. Fruits  
 Gold's Gym  
 Gracy Title  
 Jenny Craig  
 Keller Williams Realty  
 Tan It All

6. Claire's Accessories  
 Famous Footwear  
 GNC  
 Massage Envy  
 PetSmart  
 Studio Nails and Spa  
 YoYo's Frozen Yogurt

7. Bealls  
 OfficeMax  
 Super Target

8. AT&T  
 Carl's Jr.  
 Charming Charlie  
 Chick-fil-A  
 Great Haircuts  
 FedEx Kinko's  
 Mattress Firm  
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11. BBVA Compass Bank  
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