

Sam's Club moving down I-35 to Southpark Meadows

New location is expected to open next year, anchor final phase of Endeavor development.

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Sam's Club is coming to Southpark Meadows, the sprawling South Austin shopping center that stretches for a mile along Interstate 35.

The announcement is one of the first of a major anchor store in Central Texas in the past two years. H-E-B and natural-foods grocers have been among the few retailers expanding.

Sam's Club, the membership-only warehouse chain owned by Wal-Mart Stores Inc., closed this week on the purchase of 12.5 acres from Austin-based Endeavor Real Estate Group, developer of Southpark Meadows.

Sam's will anchor the center's third phase with a 135,900-square-foot store that will replace its 21-year-old store at I-35 south of Ben White Boulevard.

The store is expected to open in late fall next year, said Daniel Morales, a spokesman for Sam's Club. Morales declined to provide a start date for construction.

Sam's stores typically employ about 150 full- and part-time associates, Morales said.

Sam's will bring Southpark Meadows to 1.5 million square feet of space, with another 100,000 to go before it's fully built out.

Endeavor has developed Southpark Meadows in phases and has sold all but the third and final phase.

"We feel it's a great catalyst to finish phase three," said Jeff Newberg, managing principal with Endeavor who is overseeing leasing at Southpark Meadows. Endeavor has a few more buildings to develop there, including two or three spaces for smaller anchor tenants, several outlying single-tenant sites and a couple of multitenant buildings, said Newberg and Will Marsh, a development associate with the firm.

Tenants in the last phase currently include a Cinemark theater; Spec's Wine, Spirits & Finer Foods; Ashley Furniture HomeStore; Bassett Furniture; and GattiTown. A Green Mesquite Barbeque & More is expected to open in the next 60 days, Marsh said.

"We believe Sam's will provide us with a real shot in the arm in terms of traffic generation," Newberg said.

Endeavor has worked for several years to land Sam's at the center, Newberg said. He credited Marsh and Endeavor managing principals David Roche and Chris Ellis with getting the deal done.



Jeff Newberg, Endeavor managing principal, says announcement is a sign that retailers are cautiously optimistic.



Development executive Will Marsh says Endeavor has a few more buildings to develop at third phase of Southpark Meadows.

Commercial brokers say the Sam's announcement is a positive sign for the retail market, which has taken a hit during the downturn.

"It's indicative of a nationwide trend of finally breaking the gridlock in national tenant decision-making," said Jill Rowe, a retail broker and president of Rowe Investments. When smaller retailers see a major national retailer like Wal-Mart making a decision, "it spurs further decision-making and can change the flow of deals."

For Newberg, the announcement "is a signal that retailers are cautiously optimistic and they're seeing sales trending in the right direction for the first time in the last 18 to 24 months."

And though it's a leap to say the Sam's addition signals that a turnaround is at hand in the retail market, "it's certainly one data point that would lead you to believe that retail is headed back up," Newberg said.

Sam's has four other Central Texas stores: two in Austin, and one each in Round Rock and San Marcos.

Although the new location doesn't increase the number of Sam's locations in Central Texas, it does point to the improving strength of the local retail market, said Rodger Anderson, president of UCR Austin, a retail real estate service company.

"This store, coupled with the recent market entries of Sprouts Farmers Market, Nordstrom Rack and Newflower Market, underscores the resurgent activity of the Austin retail market," Anderson said. "There are several other new retailers finalizing deals to enter the Austin market, and I think you'll see some new announcements very soon."

Nevertheless, Anderson said, "it's still a very difficult period for retailers, and it probably won't change until the American consumer goes back to work and the national unemployment picture improves."

Endeavor originally had 425 acres for Southpark Meadows but sold some land to single-family residential and apartment developers.

Marsh and Newberg said another 20 acres remain to be developed on land Endeavor owns within the project, most of which fronts South First Street and Slaughter Lane, part of what will ultimately be 225 acres of retail at Southpark Meadows.

Newberg said Endeavor has contracts and interest from restaurants and retailers for some of that acreage, though he couldn't identify them yet.

Newberg said some of Endeavor's remaining land could be developed into medical office space or high-density single-family homes.

"We're going to be busy out here for a while," he said.

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