

# Wal-Mart plans smaller Northcross store

## Neighbors who opposed Supercenter praise move

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Wal-Mart is dramatically scaling back plans for its Supercenter at Northcross Mall after a two-year controversy and a court fight with neighbors opposed to the store.

**Wal-Mart now plans a 99,000-square-foot store, about half the size of the 192,000-square-foot facility it had planned. The store will have one story instead of two, and parking lots will replace a proposed three-story garage. The store will have groceries and traditional discount merchandise but no garden center or auto service shop.**

"As part of a nationwide effort and changing business model, Wal-Mart has been re-evaluating store sizes throughout the country," said Lisa Elledge, senior manager of public affairs and government relations for Wal-Mart Stores Inc.

As a result, she said, Wal-Mart "intends to reduce the size of its already approved Northcross store."

Responsible Growth for Northcross, a citizens group that had formed to oppose the original plan, lauded the news.

"We're happy to see this step in the right direction," said Hope Morrison, president of Responsible Growth for Northcross. "It's a better fit for the area and precludes the need for continuing legal action."

Morrison said the group still thinks "a mixed-use development is the ideal for that location, but at least their new plan is something that can work without hurting the surrounding neighborhoods and small businesses."

Elledge said Wal-Mart and Lincoln Properties, the developer, have no timetable for starting work on the store. Lincoln Properties already has been working on the east side of the mall to create spaces for an assortment of smaller retailers and the Chaparral Ice Rink.

Wal-Mart's initial plans, disclosed two years ago, set off a firestorm in neighborhoods near Northcross and a citywide debate about large stores.

The 1970s-era mall, at Burnet Road and Anderson Lane, was struggling and had lost most of its tenants. Lincoln Properties said the Wal-Mart would revitalize a dying shopping center and create more business for nearby small businesses.

Opponents said the Wal-Mart would threaten local retailers and create traffic problems. However, they lost two lawsuits aimed at stopping the store from moving in.

Wal-Mart had not started work on the store while the court fights were under way.

In October, as the national economy slowed down, the retailer announced it would curb capital spending nationwide, building fewer and smaller stores.

Ed Fox, marketing professor at Southern Methodist University's Cox School of Business, said Wal-Mart is still working on how to incorporate its Supercenters — traditionally sprawling suburban stores — into urban neighborhoods.

"They haven't been able to do it in a way that meets their profit plan and gives consumers the shopping experience they want," Fox said. "They're concerned about offering multistory stores in urban areas that stray too far from their core operating model.

"They will continue to experiment, but this may indicate that the stores that they'll open in urban areas in the near future will be smaller versions of their standard Supercenter."

In an effort to halt Wal-Mart's entry, Responsible Growth for Northcross had sued Lincoln and the City of Austin, contending that the city erred in issuing the site plan without a public hearing over a possible garden center. The lawsuit also claimed that the store violated city rules about drainage, traffic and tree preservation. A state district judge ruled in favor of the city and Lincoln.

Doug Young, one of the lawyers who represented the Responsible Growth group at the trial, said a smaller store "is an extremely good development in resolving this whole issue."

"This is more like what ought to have been considered in the first place," Young said.

Young said the only remaining issue in the lawsuit was attorney fees. He said Responsible Growth and Lincoln have agreed to postpone a hearing on that issue that was set for this week. It had to be resolved before Responsible Growth could file any appeal, which would have been "the likely next step," Young said.

Now, Young said, "if the final proposed development is acceptable to everyone," the parties could agree to dismiss the lawsuit.

**Courtesy of JB Goodwin**