

Wal-Mart to build supercenter at Northcross

Development would help revitalize retail area that's been in decline.

By Shonda Novak
AMERICAN-STATESMAN STAFF
Wednesday, November 08, 2006

Austin will get its first two-story Wal-Mart Supercenter when the world's largest retailer opens one of its new urban stores as part of a major redevelopment of Northcross Mall.

Like the handful of urban stores Wal-Mart has opened in cities such as Chicago and Atlanta, the **Northcross store at Burnet Road and West Anderson Lane** will break the mold of the ubiquitous sprawling gray boxes that Wal-Mart usually builds.

Though the Austin store is still in the design phase, some of Wal-Mart's other urban stores have brick and stone exteriors, hardwood floors and sell wine, gourmet cheese, organic clothes and plasma TVs.

The retail giant has launched its two-story urban-style supercenters as it plants its flag in central-city locations, seeking to tailor the stores to local tastes and aesthetics. Some of the urban stores have more upscale merchandise that traditional Wal-Marts don't carry, but company officials say most goods are priced comparably in all of its stores in any given market.

With 90,000 square feet on each floor, Wal-Mart will anchor a refurbished Northcross mall, which new owner Lincoln Property Co. is renaming Northcross Center. Dallas-based Lincoln plans to demolish more than half of it to make way for new tenants as well as some of the existing ones.

Robert Dozier, executive vice president of Lincoln's retail group, said he's talking to a dozen potential retail and restaurant tenants to occupy space on the east side of the mall, which will get new storefronts facing Burnet Road. He said he's in talks with Chipotle Mexican Grill but declined to name other prospects. Walgreen Co. plans to build a store on a parcel facing West Anderson Lane, Dozier said.

Existing stores and businesses that will remain include the Norris Conference Center, the Veranda restaurant, a Guitar Center music store and a hair salon.

Work is expected to start on the Wal-Mart in late 2007. The eastern portion of the center is expected to be ready for tenants by the summer of 2007, and the entire project is scheduled to wrap up in late 2008.

The project will include a three-story parking garage adjoining Wal-Mart, with nearly 800 spaces.

Wal-Mart will replace the Sports Authority store, which will be razed. The Beall's store also will be torn down, supplanted in part by a new and larger ice-skating rink for Chaparral Ice Rink, Dozier said.

Dozier says the Northcross redevelopment will revive a dated mall that opened in 1975 and once boasted such high-end stores as Scarbrough's and Frost Brothers, and housed Austin's first six-screen movie theater. But the mall has been on the decline for years, losing ground as anchor stores left and competition increased from newer retail centers.

And while some residents are concerned about the effect of the Wal-Mart on nearby small businesses, Dozier said surrounding retailers stand to benefit from a spiffed-up Northcross.

"The overall redevelopment of the mall is going to do nothing but positively impact that whole intersection and area," Dozier said. "The mall is a nonfunctioning center that is going downhill, so this redevelopment and revitalization will have a positive impact on all the businesses in that area."

Susan Moffat, a longtime community activist and board member of Liveable City, said that though she has not seen Wal-Mart's plans for the site, her immediate concerns are "for the many local small businesses surrounding the area, and I think we need to be very careful to make sure they don't get hurt."

She said the Northcross project highlights the need for an city ordinance her group is pushing that would require public hearings and expanded neighborhood notification for projects of more than 100,000 square feet.

The City Council is expected to consider the ordinance soon, Council Member Lee Leffingwell said. "We want to make sure we maintain a balanced, healthy retail economy in Austin, and for projects that are massive, we need to know what those impacts are going to be up front."

Gretchen Vaden, president of the 3,100-household Allandale Neighborhood Association but speaking for herself, said the supercenter would bring more grocery services to an area where they are "sorely lacking."

Vaden also said she likes the idea of an urban-concept store, but she says that she and other residents would like to hear more details about the entire project from Lincoln and Wal-Mart. She said she will invite representatives from both companies to a neighborhood meeting that she hopes to schedule for later this month.

"There's many more pieces and facets to this that the neighborhood needs to hear about," Vaden said.

Sarah Gilbreath, who lives nearby, said the grocery component "will be a welcome addition to the area."

However, Gilbreath, a senior project manager with Capitol Market Research, an Austin-based real estate consulting firm, said she thinks the Wal-Mart is "going to encounter some pretty strong opposition from the surrounding neighborhood groups who have major concerns about increased traffic counts, noise and light pollution and the displacement of smaller, locally owned business along Anderson Lane and Burnet Road."

Dozier said the new Austin store will be "completely out of the box."

Dozier has said that the area's educated households with an average annual income of \$62,000 make it attractive to retailers.

"It's not going to look like any Wal-Mart that anyone in Austin has in their mind or vision (of) what a traditional Wal-Mart looks like," Dozier said. "I think everyone is going to be very excited and shocked with how it fits into the center and the area."

Austin's urban Wal-Mart will be designed to complement the surrounding area and will include "urban architectural elements and incorporate native building materials," said Kimberly Randle, senior public affairs manager for Wal-Mart Stores Inc., calling the Northcross makeover an "innovative redevelopment opportunity."

"This is a unique project in Austin's urban core and Wal-Mart recognizes that an urban-style store is most appropriate for this location," Randle said.

Wal-Mart goes urban

Across the country, the retailer is building two-story stores in urban centers that are tailored to their neighborhoods. Some examples:

- Atlanta:** Two-story store sells organic cotton clothing and gourmet cheese and has an expanded wine department.

- Chicago:** Store on west side includes a locally owned fried-chicken restaurant and merchandise tailored for Hispanic and African American customers.

- Flagstaff, Ariz.:** Plans for a two-story store include some underground parking, native stone on the exterior, preservation of some of the site's Ponderosa pines.