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OFF 5th To Occupy Just Under 30,000 SF

By Amy Wolff Sorter

DALLAS-Saks Fifth Avenue's OFF 5th is the latest tenant to commit to space at the mixed-use, \$750 million Park Lane development. The OFF 5th store, which features designer clothing and accessories at discounted prices, is taking 29,600 square feet through a 10-year lease.

The store will open in November and will join other retailers already in business such as Nordstrom Rack, Dick's Sporting Goods, The Children's Place and Lane Bryant/Cacique. Additional retailers, including Aveda Institute of Dallas, FreshBerry Frozen Yogurt and Café and Bailey's Prime Plus will open at the development on Park Lane near U.S. Highway 75 this summer, though the official grand opening will take place in early 2010. The current phase is 75% occupied. Also, a residential component, Heights at Park Lane is open for business.

Tod A. Ruble, a partner with Park Lane developer Harvest Partners tells GlobeSt.com that the first phase of the 33.5-acre project is close to being completed. The final piece of that first phase, he explains, is the project's Sports Club LA, a large garage and a limited amount of retail space. All of that should be completed by late summer.

"We were fortunate," he acknowledges. "We were able to build the overwhelming majority of this before the bottom dropped out of the capital markets." He says two things have prompted Park Lane's momentum, one of which was strong pre-leasing before a 2006 groundbreaking. The other positive factor is Park Lane's adjacency to NorthPark Center, one of the largest shopping centers in Texas.

"We're complementary to North Park and don't compete with them," Ruble explains. Tenants that may not be able to take space in NorthPark have come to Park Lane as well. For example, "Nordstrom Rack likes to be near Nordstrom, but not necessarily in the same center," Ruble says. North Park has a Nordstrom. Furthermore, the Dick's Sporting Goods at Park Lane is that company's flagship store, he goes on to say.

Ruble says that because of the stagnant market, Park Lane's second phase, which will consist of more retail, office and multifamily, is being put on hold for the time being. But Harvest Partners isn't staying quiet. Ruble says the company has around \$4 billion of discretionary capital to play with.

"We're looking to acquire existing centers by virtue of acquiring notes," he remarks. "We have offers out right now to purchase several pieces of debt." Ruble says Harvest Partners would be interested in multifamily assets more than \$50 million. On the retail side, the company is seeking out regional properties, anchored by grocery stores or entertainment facilities located in the top 20 metro markets.