

## Local Business

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### Economy holding back outlet mall, outdoor mall plans locally

By Sara Foley (Contact)  
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CORPUS CHRISTI — Wall Street worries could delay plans that would expand Corpus Christi's shopping scene significantly, but developers for two proposed malls say their projects are still on the table.

Plans for an outlet mall in Robstown and a Westside outdoor mall both hinge on whether retailers will agree to move into the new centers at a time when most are skittish about expansion plans.

Crosstown Commons, an outdoor mall to be located at Holly Road and Crosstown Expressway, is likely six months from solidifying its anchor tenants, said Ryan Gaston, one of the two developers on the project. It's set to open in mid-2011.

Although Gaston said there is still interest in the project, most retailers nationwide have scaled back expansion plans.

So even though tenants are interested in the project, none have promised to come to Corpus Christi.

"It's not been an easy task," Gaston said. "In this economy, it's very hard to get retailers to commit."

A proposed outlet mall originally set to break ground this month in Robstown is now expected to start construction sometime in 2009, Dolphin Ventures managing partner Rick Carduner said.

The outlet mall was set to open in 2010, but retailers aren't ready to commit to 2010 openings, Carduner said.

Developers need those commitments before they can secure funding, Carduner said. With the nationwide banking crisis and tighter lending requirements, new rules require developers to have more retailers committed before they can start construction.

But retailers have been reluctant to set up new shops nationwide - even in existing centers, Trademark Property Co. founding partner Terry Montesi said.

Trademark, which owns La Palmera Mall, expects to open new stores during the mall's ongoing redevelopment, but the established mall is facing reluctant retailers, too.

"It's not just locally and it's not just one development," Montesi said. "Most stores have shut down expansion altogether or scaled back."

That leaves new projects, which depend completely on stores wanting to expand, up in the air.

Developers still haven't closed on the deal to buy the 227 acres where Crosstown Commons would be, said sellers' representative Matthew Cravey, president of Cravey Real Estate Services.

Cravey said he expects the project to proceed.

"There's no need to continue to have the property under contract if the developers don't believe there's a chance," he said. "They still want to come to Corpus Christi. It's just taking a little longer."

Construction is expected to begin three to six months after the land sale closes.

Dillard's department store had committed to relocate to the center, but backed out a month before the planned closing date, Gaston said.

"That changed the project," he said. "We have to figure out how to make the project work and how it will change."

Developers have given tours to seven prospective anchors in the past two years, Gaston said. Once the anchors commit, developers will close on the land purchase and focus on recruiting smaller retailers.

Meanwhile, La Palmera is benefiting from retailers' skepticism, Montesi said.

"Retailers are very cautious and a successful mall as opposed to a new, unproven outdoor project looks safer," he said.

La Palmera's renovation is in its first phase, but major construction won't start until after the holiday shopping season, Montesi said.

Despite problems, Gaston said he was confident that once the projects get off the ground, the stores won't have any problem attracting Corpus Christi shoppers.

A city-initiated market study found the city didn't have enough retail space.

"The economy doesn't change the fact that you're under-retailed here," Gaston said. "The economy does, however, change the attitudes of retailers."

All three mall projects have been given tax incentives for developing in the area.

In May, Robstown City Council approved \$14 million in tax incentives for the outlet mall.

The Corpus Christi City Council approved as much as \$23 million in tax incentives in March for developers renovating La Palmera Mall and as much as \$40 million in October 2007 for Crosstown Commons developers.