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H-E-B brings growth spurt

Store to open in fall attracts development

By Brad Olson Caller-Times

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A new H-E-B "Plus" superstore planned for the Huntington Square Shopping Center is attracting a flurry of development at the intersection of Saratoga Boulevard and Staples Street, including several restaurants, land speculation and retail expansions.

The new 150,000-square-foot store, described by some as H-E-B's answer to Wal-Mart Supercenters' incursions in the South Texas grocery market, will add more than 150 new jobs. The store, expected to open in the fall, will be H-E-B's biggest, and will become a test case for future H-E-B mega-stores planned throughout the state.

Shelley Parks, a regional spokeswoman for H-E-B, would not say what the company plans to do with its store at Saratoga and Everhart Road, saying only that it is under review.

Like many H-E-B grocery stores, the Staples-Saratoga complex will have a photo lab, pharmacy, deli and bakery. The H-E-B "plus" concept will include a "Texas Backyard" department with horticulture products and barbecue grills, as well as expanded lines in baby products, entertainment and music selections.

Matthew Cravey, president of NAI Cravey Real Estate Services, Inc., which represented landowner Hunt Development, Ltd. in the H-E-B transaction, said the H-E-B will help transform the Staples and Saratoga intersection into a new retail epicenter for Corpus Christi.

"In our business, we refer to a top retail intersection as 'Main and Main,'" he said. "Of course, the most well-known 'Main and Main' in our area is Staples and SPID (South Padre Island Drive), but the H-E-B solidifies Staples and Saratoga as being a new Main and Main for area retailers. Because of this, we know of several restaurants that have sites right there under contract."

To name a few, Cravey said, Delmonico Steakhouse, Montana Mike's Steakhouse and Mcalister's Deli are all finalizing plans or considering sites near the intersection. A Hu Dat franchise and an Oasis Grill recently opened along Staples.

Hilton Hunt, managing partner of Hunt Development, Ltd., which recently bought much of the remaining property near the future H-E-B site and owns other property around the intersection, said he plans to expand the retail offerings near the future H-E-B by adding to the Gatti Town building formerly owned by the Albertson's grocery chain.

Hunt said he hopes the H-E-B store will attract several big-name retail tenants as well as improve the climate for all parties moving into the intersection.

"With H-E-B going in there as an anchor for the shopping center, it establishes the shopping center as a place to be for businesses and retailers to go in," Hunt said. "That will drive the demand for future retail space to be put in. Retailers want to be near anchor stores, so that's a big draw for them."

Cravey said the land transaction - neither side would disclose the amount - was one of the most complicated his company has ever been involved in, since many owners and lessees had a say in who could operate on the property. Although negotiations were amicable, one result was that H-E-B will not sell gasoline at the store because the intersection is home to two Circle K stores.

Sam Susser, president and CEO of SSP Partners, which owns a Circle K at the intersection, declined to comment about negotiations with H-E-B. The two companies have clashed in gas

wars at the Port Avenue-Tarlton Street intersection, but Susser praised H-E-B and its Staples-Saratoga plans.

"What H-E-B's doing will be great for Corpus," Susser said. "It's a great business and their products are beautifully merchandised. They also give back to the community."

Bill Ferguson, of Ferguson Beene and Evans Real Estate, who represented H-E-B, said that while he wasn't party to any of the negotiations, concessions such as those are fairly common when a "big box" retailer is closing in on a new location.

"If they are spending that kind of money, they like to do their best to keep direct competitors as far away from their store as possible," Ferguson said. He said Kohl's, across Saratoga from the site, was the first major retailer in Corpus Christi not built along South Padre Island Drive in recent years. "This is a real first for Corpus Christi. I believe Saratoga and Staples will be the center of retail activity on the Southside for the rest of my lifetime."

Ferguson said the H-E-B will greatly resemble Wal-Mart supercenters.

"They'll sell everything from tires to green beans," he said. "This sort of store is looked upon as being the trend of the future. It's hard to knock the success of Wal-Mart and they've done pretty well with that criteria. H-E-B is following that trend so they can offer the same benefits to their customers."

Parks, the H-E-B spokeswoman, said that while H-E-B was aware of competition with Wal-Mart, the main driver for the new store is H-E-B customers.

"Customers on the Southside of Corpus need and want a bigger store," Parks said. "H-E-B has to continue to evolve along with the communities that we serve. More people want one-stop shopping. And we are going to keep doing what we do best. We're creating some new, innovative departments that you won't be able to find anywhere in Corpus."

Wal-Mart officials did not return calls seeking comment.

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