

Sunday, February 24, 2008

Latest 'instant city' rises

Hendersonville development aspires to be next Cool Springs, and more

The Tennessean - By CHAS SISK [Staff Writer]

A tide of people travels Sumner County's Vietnam Veterans Boulevard — as many as 44,000 cars on an average workday — bound for jobs elsewhere in Middle Tennessee.

Those cars carry away not only people, but also money and time that could be spent in Hendersonville, says Don Long, the city's economic development chief. It's a daily exodus that prevents his community from reaching its potential, he believes.

"For years we've been a bedroom community," he said. "Now we're going to be a standalone city in our own right."

Like many in Hendersonville, Long has high expectations for the city's latest project, a 400-acre development of offices, shops and apartments called Indian Lake Village. The project stretching two miles along Vietnam Veterans Boulevard's southern side will officially open early next month.

With the project, Hendersonville becomes Middle Tennessee's latest entrant into the contest to lure corporate offices and white-collar jobs to suburban locations, joining Franklin's Cool Springs and Murfreesboro's Gateway project.

But with a design that is modeled on a town square, lead developer Halo Properties hopes it can create an environment that is far more pedestrian-friendly than Indian Lake Village's predecessors. Their plans include an on-site public library, parks, apartments, even space for a future commuter rail station.

"What Halo is doing is more of a town center, with work and play," said Wood Caldwell, a principal with Southeast Venture, a Nashville-based real estate firm. "Nobody was talking about that stuff when we did Cool Springs."

Grabbing the lifestyle

Indian Lake Village is the latest — and so far, the largest — example of a new concept in retail and office development.

Dubbed a "lifestyle center," the project attempts to create a small, self-contained city, where people can walk to offices, shops, apartments and recreational areas without



HALO Properties, LLC
House of Cash Building
700 Johnny Cash Parkway
Hendersonville, TN 37075
Phone: 615-822-3509
www.haloprop.com

cranking an ignition key. The goal is to create an area that is active around the clock, not just during business hours.

The concept is quickly growing in popularity nationwide, but so far, it's largely untested in Middle Tennessee.

Elements of a lifestyle center have popped up in the small Hill Center at Green Hills and the gigantic Avenue Murfreesboro and Nashville West shopping centers. Developers also have included lifestyle centers in their proposals to revive the Bellevue Center mall and to create a new commercial district in Bells Bend.

But no project so far has incorporated offices and residential units to the extent of Indian Lake Village, said David Baker, a principal in the Nashville retail real estate consultancy Baker Storey McDonald.

"It's taking urban design and moving it to the suburbs," said Baker, whose firm has been retained to help market the project.

'Like an outdoor mall'

Plans for Indian Lake Village call for building 1.5 million square feet of retail space, making it larger than the Cool Springs Galleria shopping mall.

The first stores will open March 5 in a section of the project built by Columbus, Ohio-based Continental Real Estate Cos. called the Streets of Indian Lake. Major tenants include Barnes & Noble, J. Jill, Victoria's Secret and Regal Cinema — the kind of places more likely to be found in a shopping mall than a big-box shopping center.

1st office building is open

Already open is Indian Lake Village's first office building, a three-story, 50,000-square-foot building just south of the retail section. Halo is receiving about \$20 a square foot for office space in its development, above average for the Nashville area, but about 10 percent to 40 percent less than new office buildings in Cool Springs and Brentwood.

One engineering firm, R.W. Beck Inc., moved into that building in January, and a second, OptiMech LLC, has signed a lease to move into the building this spring.

The development also includes 1,000 residential units. The first of those will be built by St. Louis-based MLP Investments, which plans to start construction on 300 apartments later this year.



HALO Properties, LLC
House of Cash Building
700 Johnny Cash Parkway
Hendersonville, TN 37075
Phone: 615-822-3509
www.haloprop.com

"It's an area where you can come and go to a restaurant, go to a movie and shop in small bursts," Baker said. "Office space drives the daytime population, while apartment residents are the nighttime population."

Tax revenue to soar

The city of Hendersonville expects Indian Lake Village to generate \$2.8 million in sales tax revenue in its first year, a 40 percent increase over last year's collections. That money is now lost to shopping malls and retail centers in Davidson and Williamson counties, Long said.

But increased tax revenues are the least of the city's hopes for the development. The project's ultimate purpose is to create a lively commercial district that eventually draws corporate offices, much as Cool Springs Galleria has helped spark a boom in white-collar jobs and expensive housing in northern Williamson County.

Plans for Indian Lake Village call for as much as 2 million square feet of office space, 40 times more than stands there now.

"This is the thing we're lacking," said Randy Hoffman, a Halo partner. "This affords us an opportunity to become a more diverse community." So far, both of Indian Lake Village's first office tenants moved from relatively nearby — from Goodlettsville in the case of R.W. Beck and from elsewhere in Hendersonville in the case of OptiMech.

Like countless Cool Springs companies, executives from both firms said it was the access to restaurants and other amenities, as well as proximity to employee housing, that led them to choose Indian Lake Village over other sites in Middle Tennessee.

"Everybody has made the drive to Nashville and Franklin before," said Arch Hatfield, OptiMech's president. "This makes for better family life, really, and it helps for recruitment, too."