

Gateway Town Center Goes Westward



Tommy Hodges (L) and Isaac Smith represent two generations of development at Little Rock's Gateway Town Center with its growing entertainment draws. (Karen E. Segrave)

Commercial projects topping \$21 million are beginning to come out of the ground at Little Rock's Gateway Town Center.

Construction of the \$3 million Creek Plaza is expected to begin in early April. Work on the 14,500-SF retail project will join building activity on two neighboring developments: the \$9.8 million Movie Tavern and \$9 million Tru by Hilton Hotel.

Creek Plaza will become home to the first Con Quesos outside of northwest Arkansas. The Fayetteville

fast-casual fusion taco restaurant, also known for its specialty cheese dips, will occupy 3,000 SF. A T-Mobile store is listed as a “potential tenant” of 3,000 SF.

Creek Plaza, Movie Tavern and the Tru hotel project will occupy a 12-acre piece of the west side of the Gateway Town Center.

“That’s really been the focus,” said Isaac Smith, principal and executive vice president at the Little Rock office of Colliers International.

“We’ve had a ton of people interested.”

The property is envisioned to be part of an entertainment district dubbed The Grove at Gateway Town Center.

Helping expand the entertainment destination draw is an 11-screen, 46,000-SF Movie Tavern, which follows development of the nearby Dave & Buster’s that opened last summer.

“We’re fully mobilized,” said Derek Alley, managing director of Little Rock’s VCC general contracting firm. “This is our first project with Movie Tavern, and their first project in Arkansas.”

An affiliate of EPR Properties, a publicly traded real estate investment trust based in Kansas City, Missouri, bought the 6.45-acre Movie Tavern site for nearly \$1.7 million.

The project, which will join EPR’s \$1.9 billion in megaplex investments, is expected to open in time for the Thanksgiving-Christmas holidays.

North of the Movie Tavern site, 2 acres are on the drawing board to become green space along a pond.

“The key is making it more than concrete and hardscape,” Smith said of the overall development.

The 82-room Tru hotel project, the first in Arkansas, could be opened by the end of the year or in early 2018.

“We’re in permitting, waiting to tee things up with financing and begin construction,” said Chet Patel, president of Little Rock’s Pinnacle Hotel Group.

The 1.78-acre site was acquired for \$755,983. The project will join Pinnacle’s portfolio of 11 properties that are open or under construction: 10 in Arkansas and one in Texas.

“I expect more hotels here pretty quick,” said Tommy Hodges, who led development of the Gateway Town Center. “I had a call from a guy who wanted 5 acres for a 100,000-SF user. But he wouldn’t tell me who it was.

“We’re not going to negotiate if we don’t know who we’re dealing with. We’re picky about who we sell to.”

Town Center LLC, an investment group led by Hodges, sold an 89.3 percent stake in two undeveloped tracts at the project totaling 54.7 acres for more than \$10.4 million.

The new majority owners of the land are two Colliers-led investment groups: Gateway Otter LLC and Gateway Creek LLC.

“That was really my doing,” Hodges said. “I’m 74 years old, and I was doing it by myself. I felt like I didn’t need to be working this hard. It needed more bodies and younger people to come in.

“It was good for them and good for me. This thing requires a lot of energy. I couldn’t be more pleased with partners than those guys. They have the wherewithal to get it done.”

Taking Care

The recent projects follow the completion of two pivotal pieces of the Gateway Town Center development: the 2015 opening of The Outlets of Little Rock, a 325,000-SF retail destination launched by a \$5.2 million purchase of 30 acres; and the 2013 opening of the 104,359-SF Bass Pro Shops that began with a \$3 million buy of 29.3 acres.

The change in ownership composition at Gateway hasn’t altered a mindset that Hodges brought to the project: Avoid a sell-all-you-can-as-fast-as-you-can mentality.

“The thing we have to be careful with is not screwing it up,” Hodges said. “We have an opportunity to get some 24-hour living out there with apartments. We have an opportunity to do some office, and I haven’t focused on that.

“We have to be careful where we do that and how we do that. Every time we make a sale, there’s a ripple effect on the development.

“In the back of mind, I’m saying, ‘What next?’ We don’t want people to come in here and not be successful.”