



North Shore
Features

ARRESTED DEVELOPMENT

William Barrois, left, and Townsend Underhill, with Stirling Properties' North Shore office, discuss plans for the 180-acre Maurmont development.

PHOTO BY FRANK AYAMI

AS THE MARKET FORCES DEVELOPERS TO RETRENCH, STALLED PROJECTS ARE SLOWING I-12'S BUILDING BOOM

By Ariella Cohen
Contributing Writer

Townsend Underhill remembers the days when shopping along Louisiana Highway 21 near Interstate 12 meant picking up a dusty map at a gas station.

"When I first started coming down to Covington in 2002, all you saw out the window driving down 21 was trees, the gas stations and a few fast food places near the exit," says Underhill, North Shore development director for Stirling Properties.

In the eight years since those first forays into St. Tammany, Underhill has watched the market for retail, office and residential development explode along the highways that run between New Orleans, Covington, Mandeville,

Slidell and Baton Rouge.

Yet with the recession sending developers, banks and retailers into a tailspin, Underhill and others say it's time for the region to shift gears again and get used to a new normal for the region's development.

The new reality, he says, will look more like the pre-boom market of the 1980s and '90s.

"(Development) will keep moving along; it will just move along smaller pieces at a time," says Underhill. "Even when economists say that the economy is growing and the recess-

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sion is over, the lenders are going to be saying we want to prove this market more before we hand over large amounts of credit again."

Evidence of the changed market can be seen in weedy development parcels and faded "For Lease" signs along Interstate 12, where the recession has put a long-anticipated building boom on hold.

Though no major projects have been cancelled, big mixed-use developments such as the 1,169-acre Nord du Lac shopping center, the 400-acre Summit Fremaux, Slidell's 2.4-acre Century Park and a 180-acre development behind the Target Shopping Center will rise more slowly than expected when the projects were announced at the height of the parish's post-Hurricane Katrina boom.

Gradual construction

On the northern side of I-12 between Highway 21 and the Tchefuncte River, shopping center developer Colonial Pinnacle Trust has decided to build its massive Nord du Lac outdoor mall out in gradual phases over a few years.

In an interview earlier this year, spokesman Jim Spahn said the project will play out slower

that originally anticipated, but its scale will not change because St. Tammany Parish remains one of the country's few growth markets.

Along the interstate outside Lacombe, the 25-acre site of the proposed University Square project sits quiet until the economy improves and more money is available to build the academic campuses at the heart of the plan.

In Covington, Wink Engineers' new headquarters stands as a lonely outpost of the high-tech industries local officials are relying on as the area's future job generator. When ground was broken in August, the construction was touted as a step toward turning the area into Louisiana's Silicon Valley.

That goal feels a long way off these days.

"It's some of the worst times to be talking about these things because of the financial crisis," says Carl Drichta, dean of the University of New Orleans Metropolitan College, adding that he remains confident UNO eventually will build the tech park that is planned for University Square.

"Long term, it makes sense to move in that direction. It's just a matter of time," Drichta says.

Ripple effect

The lagging pace of the corridor's major proj-

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JENNIFER GABRYSAK

Stirling Properties Realtor

ects means a harder time for others trying to build in the region.

Stirling Properties Realtor Jennifer Gabryszak is responsible for pre-leasing at Century Park, a proposed office and retail complex slated to rise adjacent to the UNO Technology Park and Summit Fremaux. She is having trouble leasing the project's 62,000 square feet.

"It's hard to get a project off the ground when other projects are not taking the reins and getting started," Gabryszak says.

The Realtor does see one hopeful sign amidst the market uncertainty — the green highway marker at the newly constructed Pinnacle Parkway-East Brewster Road exit south of Covington that will connect Highway 21 to the interstate and make it easier for passing motorists to stop and shop. State transportation officials expect the exit to be opened to motorists by October after the interchange's connector roads are finished.

Gabryszak is keeping her fingers crossed that the new traffic from the interchange will lure more retailers to the area.

Stirling owns the 180-acre Maurmont site behind the Target mall near the new interchange. Underhill recently negotiated a property sale for a 1.7-acre parcel behind the existing Hollywood Theatre.

Candlewood Suites expects to begin work on a 93-room hotel on the site in October, following closing. The development firm also plans to break ground next month on a new apartment development, Madison Park Apartments, on Brewster Road behind Target. The 240-apartment complex, Underhill says, will be the first of several residential developments built on the Maurmont site during the next three to five years. The gradual pace of development will allow the developer to wait out the tanked housing market.

"Patience," he says, "is a virtue."•

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