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Business district north of D/FW to flourish

Nearly 2 million square feet of office, industrial on tap in Flower Mound

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by [Holli L. Estridge](#)

Staff Writer



TOP TEAM: From left, Steve Berger of CB Richard Ellis Inc.; Melissa Glasgow, director of economic development for the town of Flower Mound; Bob Rice of Seefried Properties Inc.; and Flower Mound Mayor Jody Smith worked to attract HD Supply to the Lakeside Business District.

Flower Mound's 1,500-acre Lakeside Business District is set for a boost, with 1.8 million square feet scheduled to come online in early 2007.

And tenants are quickly committing to that space.

Before the joint venture by Seefried Properties and Cousins Properties finished pouring the foundation of its first speculative project in the district, Home Depot Supply signed on for nearly half the 750,000-square-foot building. The entire project, including land, is valued at about \$20 million.

The Home Depot Inc. (NYSE: HD) subsidiary, recently rebranded as HD Supply, will consolidate its Coppell distribution site and two recently

acquired Metroplex-based Hughes Supply distribution operations into the new space.

The consolidation will bring 120 jobs into Flower Mound and there are plans to hire more, said HD Supply spokeswoman Donna Taliercio. "We've been growing steadily for the past four years, at a rate of about 30% per year, both organically and through acquisition," she said.

HD Supply, the wholesale distribution division of The Home Depot, sells products and services primarily to builders, contractors, government entities, industrial businesses and maintenance professionals.

Bob Rice of Seefried represented the Cousins and Seefried partnership while Steve Berger and David Easterling of CB Richard Ellis represented HD Supply. Engineering firm Pacheco Koch of Dallas, design firm Alliance Architects of Dallas and Plano-based builder Hill & Wilkinson were tapped to work on the warehouse.

Taliercio said the new space will give HD Supply, which will occupy its new space in March, additional room to grow.

The HD Supply deal comes amid a flurry of activity within the business district, located on the southern end of Flower Mound, north of Dallas/Fort Worth International Airport.

LNR Property Corp. (NYSE: LNR) has received several letters of intent from developers wanting to purchase remaining land within its 226-acre Lakeside Ranch Business Park development, said Dave Anderson with CB Richard Ellis. In July, Seefried and Cousins were the first developers to acquire land from LNR.

Anderson represents LNR and developer Brian Flaherty, who recently gained approval from the town of Flower Mound to begin developing the 56-acre Cornerstone Park. Flaherty has broken ground on a 650,000-square-foot distribution center valued at \$25 million, which will open in the spring.

Granite Properties' Lakeside Commerce Center, meanwhile, is 71% leased. Greg Fuller of Granite said the developer will start two or three more buildings of between 75,000 and 100,000 square feet within 90 days.

Dallas' GVA Cawley has sold an 11-acre site to Gemmy Corp., a privately held distributor of seasonal decor, animated gifts and novelty items to national retailers like Target, Wal-Mart and Lowe's. Coppell-based Gemmy Corp. will build a regional headquarters on the property, said John Conger of GVA Cawley.

Gemmy Corp.'s marketing director, Sharlene Jenner, said the company will move its headquarters into the new facility in September 2007. Gemmy plans to move more than 100 employees to its new office.

GVA Cawley's sister company, Wilcox, also is developing two office buildings of 67,000-square-feet each. Flower Mound-based Ivie & Associates, a marketing company, is taking space in one of the buildings.

Rena Arnold of First Industrial Trust Inc. said the main driver for the activity is Flower Mound's housing market. "The trend in the Mid-Cities area is that people don't want to drive far from home to get to work," she said. "Having access to that type of property within 10 to 15 minutes of their house is a big advantage."