

Northern Exposure

Territory Inc. finishes north valley developments

It's getting harder and harder to find a successful commercial development these days. But Territory Inc. is finding a way to muscle through the tough times with a few north valley projects.

Just south of its mammoth 1-million-square-foot Centennial Center, Territory is finalizing leases and adding tenants to Centennial Gateway, a 350,000-square-foot retail center near Ann Road and U.S. 95. Included in the center is a 24 Hour Fitness, Fresh & Easy Neighborhood

Market, Cafe Rio, LaptopXchange and others. During phase one, about half the total square footage was completed in early 2008, and the second phase is finishing up this summer. About 70 percent of the site is pre-

leased, said Nick Hannon, senior vice president with Territory Inc.

"Leasing activity is pretty good for that area, because we're right off the off-ramp," Hannon said.

The executive also contends that leasing has been solid overall in the Centennial area, partly because of the Centennial Hills master plan, which condenses all commercial development into four quadrants that span 900 acres and branch out from the Clark County 215 and U.S. 95 interchange.

"When you look in that area, you don't see the retail sprawl that you see in other areas of town," Hannon added. "It's all compressed into that commercial loop of Centennial Boulevard that feeds all the commercial in the area. ... It keeps the residential areas up there more preserved."

Centennial Gateway is Territory's last foray in the area, according to Hannon, as much of the retail space is completed. Up Centennial Boulevard to the north is Territory's Centennial Center, which opened about seven years ago and is home to large retailers such as Home Depot, Wal-Mart, Ross Dress for Less and Petco. Outside of a few vacancies, the largest coming from the empty Circuit City location,

the site is predominantly full. Territory also had a fourth-quarter 2008 opening for the 335,000-square-foot Cannery Corner, located on the northeast corner of Craig and Losee roads in North Las Vegas. The site, caty-corner from the Cannery Casino & Hotel, includes the anchors Lowe's and Sam's Club, in addition to smaller tenants such as Mexican restaurateur, Chipotle, Jamba Juice, Winchell's Pub & Grill, Frazee Paint and others.



Territory Inc., a Las Vegas-based real estate and development company, finds its silver lining in North Las Vegas.

"The unique thing about that location is that the daytime population is really strong," Hannon added. "There are very few places in town, with the exception of the Strip and downtown, that have very good daytime numbers."

Hannon said Territory's 16-plus years of focusing on anchor-driven retail is paying off during these tough times. With a portfolio of more than 2 million square feet of retail, the firm is still able to run at 90-plus-percent occupancy rates.

"I think the advantage we have is we're a unique portfolio builder. We have long-term partnerships with lenders and tenants. We tend to be a little less aggressive. Our partners stay with us deal after deal," he added.

While Territory Inc. serves as developer and manager of its projects, the company's principals are the actual landowners for the retail centers, Hannon clarified. He added that company principals are currently eyeing the market for land-buying opportunities.

"We've never been the leading payer. Our land base is in much better alignment with what the retailer can pay, and ultimately, the consumer can pay," he added. "We're very much an opportunity buyer. We'll get in, if there's something incredibly well-priced. So far, pricing hasn't come down to where we'd be interested in it." <

By Brian Sodoma
Special Publications writer
Brian.Sodoma@gmgvegas.com



Nick Hannon

Larry Bender

Redevelopment Manager,
City of North Las Vegas

cre What are your responsibilities as North Las Vegas' redevelopment manager?

The responsibilities of the redevelopment manager are very simple. (It's to) revitalize downtown and eliminate blight, and you do that by working with private sector developers and creating public-private partnerships. That's a buzzword we like to use. A city and agency doesn't have enough money to revitalize on its own, so what you do is use resources and (work to) interest developers in taking on private sector projects in blighted areas. ... We're the ones that have to go out and initiate things and make things happen.

cre Tell us about the city's redevelopment plans. What are some of the major pieces?

Los Flores is really important to us. It's a 350,000-square-foot regional shopping center, a \$100 million investment. The other big pieces are the city hall and the 250,000 square feet of office buildings in that area; and also the potential expansion of Jerry's Nugget once Fifth Street gets completed, and also the potential expansion of the Silver Nugget, when the economy improves. ... We're also looking for a major developer to do retail, office and possibly some res-



idential on what we call the "Lake Mead Island." It's on Lake Mead (Boulevard), right off the I-15 interchange, and finally, the expansion of North Vista Hospital.

cre How has the recession impacted the city's redevelopment efforts? How have you had to adjust plans?

Los Flores still wants to move forward, but it's on hold until retailers come back to the table. ... We've had the Silver Nugget slow down on expansion plans. ... Those are probably the two main areas where we've taken a step backwards.

cre Tell us about the North Las Vegas you envision 25 years from now?

A thriving regional retail environment, where people all over the valley come for specific retail offerings we have in North Las Vegas. Las Flores is the keystone to that. The government sector will be consolidated and compacted into one location. The new city hall and the administrative functions, along with the nearby justice complex, will be in place. (There will be) a large medical community anchored by North Vista Hospital and a lot of medical offices used as an adjunct to that medical community. And finally, revitalized and upgraded housing in downtown, particularly owner-occupied residences and condominiums. We envision, in this downtown, that people will be able to live by and walk to well-paid jobs in the legal, government and medical fields. With those kinds of medical, legal and government jobs, we feel the residential neighborhood will be revitalized. <

Briefly

Larry Bender has made a career of seeing potential. The economic development and redevelopment professional has worked for a variety of agencies around the country, including Virginia, Pennsylvania and Ohio prior to arriving in Las Vegas in 1985, where he oversaw the city's redevelopment efforts for a decade. In 1995, he started his own redevelopment consulting and commercial real estate business. But in 2005, Bender seized the opportunity to become redevelopment manager for the city of North Las Vegas.

"I was very happy in the private sector, but ... with all the things going on over here, it seemed like a real opportunity to do what I do best, which is redevelopment," he said. "They were starting from the ground up and hadn't done many redevelopment projects. It was just a great opportunity."