
GlobeSt.com Commercial Real Estate News and Property Resource

Last updated: Friday, April 11, 2008

D/FW Airport Team Debuts \$250M-Plus MXD Project

By *Connie Gore*

DALLAS-A \$250-million-plus mixed-use project will break ground by first quarter 2009, with all components planned to rise simultaneously on a 32-acre, ground-leased parcel at Dallas/Fort Worth International Airport. The long-awaited Southgate Plaza is the next development move to establish a world-class airport city.

With a signed letter of intent in hand, the airport board and Southfield, MI-based Redico Development Co. are close to finalizing the ground-lease contract for the site after nearly one year of talks, according to John C. Terrell, the airport's vice president of commercial development. This morning, Terrell is unveiling the development, which could cost as much as \$350 million, at the [Airport Cities Conference and Exhibition 2008](#). The development site is at the intersection of Rental Car Drive and International Parkway, making the 850,000-sf Southgate Plaza accessible to general consumers as well as airport users without forcing them through the toll gates.

"This is the only property we're discussing with developers of mixed use at this point," Terrell tells GlobeSt.com. "And, this is a major step in our airport city process."

Redico is partnering with Lutz Real Estate Investment of Farmington Hills, MI to develop Southgate Plaza. The development team also is talking to former Dallas Cowboys' Emmitt Smith, who is attending the conference, about joining the play, but dealmakers say his role has yet to be defined and there's no signed contract in hand as yet.

Southgate Plaza will have 60,000 sf of retail and restaurant space, a 120,000-sf value-office building and room for a 200,000-sf class A office, 400-key five-star hotel and a select-service hotel with 120 to 130 rooms. Talks also are underway with hotel development companies. "We have a number of interested flags," Terrell says.

In 60 to 90 days, Terrell says office and retail leasing assignments will be signed deals. The airport board and Redico are teaming on the interviews. Terrell adds that preleasing can't begin until the ground-lease contract is signed, sealed and filed away. "We have a lot of interest," he says, "but we have to execute the airport lease first."

Southgate Plaza will be designed with a skywalk to connect the rental car lot with the full-service hotel. All restaurants will be outfitted with flight display screens as will the hotels. And, Terrell says, there will be shuttle service from Southgate to the terminals. Southgate is envisioned as a pedestrian-friendly design blending the plaza with a park and promenade. "We will be working with them to design it," Terrell says. "We are cooperating hand-in-hand on this development."

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