

# Developer promotes TIF project

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**Gulfstream: Lifestyle centers attract shoppers from wider area**

By [Keith Lawrence](#)

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The first thing Owensboroans have to know, Matt Hayden says, is that a lifestyle center is not just another shopping center.



**An artists' rendering by H. Michael Hindman Architects shows the proposed Gateway Commons, which is planned for the Kentucky 54-Pleasant Valley Road area. Submitted photo.**



**Randy Hutchinson, left, discusses development opportunities for the proposed tax increment financing district while his partners Brad Anderson, middle, and Drew Augenstein listen Friday at Gulfstream Enterprises. Photo by [John Dunham, M-I.](#)**

The "boutique malls," as some call them, are in some ways re-creations of a downtown -- although privately owned -- in a suburban setting.

They're open-air centers laid out like city blocks.

And they're the latest thing in retail. More than 80 have been built -- primarily on the edges of major cities -- since Jan. 1, 2000, according to USA Today.

Hayden is the principal partner in Gulfstream Enterprises, which wants to build Gateway Commons, a 263-acre mixed-use lifestyle center planned for the Kentucky 54-Pleasant Valley Road area. But the center will only be possible, he said Friday, if the state approves creating a tax increment financing district on the property, using taxes from the \$210 million private investment to pay for \$180 million worth of public projects including an arena and a convention center.

The Owensboro City Commission is scheduled to vote on the project at 5 p.m. Tuesday on the fourth floor of City Hall.

The public projects also include \$5 million for fountains and parks in the development.

Drew Augenstein, Gulfstream's chief operating officer, said the upscale outdoor centers feature such amenities as big clocks, statues and fountains to attract visitors.

To get an idea of what the development might look like, he said, people should check [www.destincommons.com](http://www.destincommons.com).

Hayden said Gateway Commons will not be competition for other shopping centers being developed -- including Gulfstream's 85-acre Highland Pointe at Kentucky 54 and the U.S. 60/U.S. 231 bypass.

Stores that locate in lifestyle centers cater to medium to upper income customers, he said. And they draw shoppers from a wider area than "power centers" like the other shopping centers in town, Hayden said.

He said Gulfstream is considering offering apartments on the second floor of the stores in the lifestyle center to give it even more of a downtown feel.

Some in the community are worried that Gateway Commons -- if it wins approval -- will draw stores away from other centers, such as Towne Square Mall.

Hayden said it's no secret that retailers such as J.C. Penney have been pulling out of malls across the country to build "big-box" stores in other parts of town.

Macy's is also doing that, he said.

"The question isn't whether they'll leave the mall and build somewhere else in Owensboro," he said. "It's how do we keep them in Owensboro?"

If any of the mall's anchors come to Gateway Commons, Hayden said, the stores they would build would be larger and employ more people than they do now.

"We're talking about 30 percent to 50 percent more square footage," he said.

Augenstein said a recent study found that Owensboro was losing \$133 million in retail sales to other markets at the end of 2004.

"It's likely more than \$150 million now," he said. "We want to keep that money here and bring in more money."

"There is money in this community," Hayden said. "And we need to keep it here. Our focus is not on the stores we already have. It's to bring in stores that we don't have."

If Owensboro offers better shopping experiences, he said, it will be easier for big companies to attract people to work here and will help convince outside industries to consider locating in the community.

Brad Anderson, managing partner in the company, said while the plans show a 250-room hotel in the development, "there could be three to four hotels in the Kentucky 54 area as a result of this."

He said a grocery chain that isn't now in Owensboro is considering a store in Highland Pointe.

"Hopefully, Gateway Commons will be a generator for growth in the community," Hayden said. "With all the projects proposed in town, we have a chance to have a booming economy for the next 10 years. How can we take advantage of that and grow with it?"

"One of the big-box stores we've talked to calls this the most exciting development in Kentucky in years," Anderson said.

Construction between 2008 and 2013 is expected to involve 1,000 workers. And Hayden said the mixed-use complex will employ 4,000 people -- two-thirds of them full time.

Eighty-five acres in the proposed TIF are on Pleasant Valley Road south of Gateway Commons.

That area is across from the 145 acres where Owensboro Medical Health System plans to build a \$500 million hospital.

It's a good place for life sciences companies, Hayden said.

Gateway Commons features an entertainment zone, including a multiplex theater, 150 apartments, 150 condos, 150,000 square feet of medical/professional offices and 630,000 square feet of restaurants and retail outlets.

The apartments, Hayden said, would be priced for medium incomes with such amenities as a pool, security and a fitness center.

"There are fewer than 100 apartments in the Kentucky 54 area now," he said.

Some have questioned whether Envison Contractors LLC, which has some of the same principals as Gulfstream, would build the project or if it would advertise for bids.

Hayden said the arena and convention center would each be bid separately.

They will likely be built by out-of-town contractors with experience in such facilities, he said.

Augenstein said Gulfstream has been criticized for being too secretive about the project.

"But Tuesday night was the sixth public meeting we've been to," he said. "And we've presented our plans to the Economic Development Corp. and the chamber of commerce."

"There just seems to be a lot of negativism in the community," said Randy Hutchinson, Gulfstream's legal counsel. "That's what's kept us in a rut here for years. We're taking the risk. We're not asking the community to."

Hayden said all the principles in the company were either born in Owensboro or have lived here for decades.

He's a native and serves on the Regional Water Resource Agency's board.

Anderson was born in Owensboro and serves on the EDC board.

Augenstein is an Owensboro native and serves on the local Medical Control Authority board.

Hutchinson was born in Illinois but moved to Owensboro in 1974 to practice law. "I served on several boards when I was younger," he said, "but I'm not on any now."