

# Gateway Commons moving forward again

7/23/2008

Gulfstream proposes \$10 million office building for Highland Pointe

By [Keith Lawrence](#)

Messenger-Inquirer

Gulfstream Enterprises will break ground this summer on a \$10 million, five-story office building in Highland Pointe.



This rendering made available by Gulfstream Enterprises shows a revitalized Gateway Commons, a \$250 million mixed-use development. Photos submitted



This rendering shows the five-story, \$10 million office building planned for Highland Pointe. It will be a 74,000-square-foot building.

And that's just the first of \$35 million worth of development planned in the next year for the shopping center at Kentucky 54 and the U.S. 60/U.S. 231 bypass, Gulfstream President Matt Hayden said Tuesday.

A new headquarters building for Atmos Energy's Kentucky division is also in the works, along with a hotel and possibly another restaurant.

Rumors have swirled around a Courtyard by Marriott in Highland Pointe for months. But Hayden said he can't discuss which hotel is looking at property there.

Hayden said Gulfstream also hopes to break ground next year on a revitalized Gateway Commons, a \$250 million mixed-use development with nearly 1 million square feet of retail, 366,000 square feet of office space, a 225-room hotel, an 80,000-square-foot movie theater and housing for senior citizens.

More than 8,000 parking spaces are planned.

The first phase of the project, scheduled to open in 2010-11, will cover 180 acres. Another 70 acres is scheduled to be developed later.

The new plan for Gateway Commons is similar to a proposal last year that would have included an arena and a convention center. That plan would have used state tax dollars, captured through a tax increment financing district, to build the arena and convention center.

But the state didn't approve the project, and the arena/convention center has been dropped from the plans.

Hayden said what the project needs now is a "local stimulus package," which he also referred to as "an annexation agreement on steroids."

The city currently offers developers a five-year agreement that allows them to recoup part of their expenses to build the public infrastructure -- roads, curbs, sewers, retention basins.

Under the agreement, the developers receive all of the property, occupational and net profits taxes collected by the city during the five-year period to pay for the infrastructure costs.

But Hayden said the annexation agreement needs to be modified with a sliding scale based on the value of the projects.

A project worth more than \$200 million should qualify for a 20-year exemption, he said.

"Five years is not enough time to recoup the expenses for a project this big," Hayden said.

Such a package, he said, would make Owensboro more attractive to developers.

"If this could be accomplished in the next 90 days," Hayden said, "it would create so much energy in the community. Developers would look at Owensboro as a place they have to invest in."

"That's an idea that is probably long overdue," Mayor Tom Watson said later. "I am in favor of trying to find a way to incentivize big developments. We have to think in those parameters. These people can go anywhere they want, and we have to give them a reason to come here."

Highland Pointe -- the center where Cheddar's Casual Cafe, Maloney's Roca Bar and Culver's Frozen Custard & ButterBurger have opened in the past year -- "has been taken off the market for big-box stores," Hayden said.

The center may eventually have a supermarket, Hayden said, but retail marketing will focus on Gateway Commons instead.

That center will be behind Highland Elementary School and Wal-Mart. It will have frontage along the bypass extension and will be within sight of the \$400 million-plus hospital being planned by Owensboro Medical Health System for Pleasant Valley Road and Daniels Lane.

"We have to create something attractive or people will go to Bowling Green and other markets," Hayden said. "With gas prices as high as they are, people want to shop at home and not have to drive to Evansville, Louisville or Nashville."

He said 60 percent of the 74,000-square-foot office building planned for Highland Pointe -- just west of Cheddar's -- has been leased.

Tenants include Owensboro Family Eye Care Center, Wes Booker's Cosmetic and Family Dentistry, Marcus W. Bosley & Associates and L. Steve Castlen Realtors.

"I should have been out there five years ago," Castlen said. "I'm really excited. It's going to be a Class 1 building with the right mix of people. Owensboro is growing to the east, and I want to be on center stage."

His office will be on the second floor, and "we'll be using the penthouse for meetings and social functions," Castlen said.

Augenstein said the building will also offer "the increasingly popular office suite concept" for mid-sized corporate satellite offices and professional service firms.

The office suites will offer such amenities as telephone and voice mail service, fax/modem line, high speed Internet access, professional reception services, general administrative services, color laser printing, digital copying, presentation and booklet preparation and parcel packaging and shipping, Augenstein said.

Also available is 6,000 square feet of virtual office space for those who work from home or from the road. Services include a professional business address, package delivery and

pick-up, professional reception services, voice mail address, meeting facilities and administrative support.

A portion of the fifth floor will be devoted for health and fitness facilities for the tenants and their employees, Augenstein said.

Gulfstream, Hayden said, will move its headquarters into parts of the fourth and fifth floors. "Hopefully, we'll be able to see the river from the fifth floor," he said.