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Shopping village rises with Puyallup population

Puget Sound Business Journal (Seattle) - March 23, 2007 by [Linda Thomas](#) Contributing Writer

There's no chicken or egg debate with retail development. Housing comes first.

Ideal demographics led Tarragon LLC to begin construction this month on a retail center called Sunrise Village. The company's research found 38,000 cars a day pass by the location on Meridian Avenue East and East 160th Street, just outside the Puyallup city limits.

"Retailers won't even consider a location until the demographics and traffic counts meet their needs," said Ellie Chambers, economic development officer for the city of Puyallup. "There's no incentive I could offer them that's greater than sheer population figures."

More than 117,000 people -- with an average household income of \$83,000 a year -- live within a 5-mile radius of the Sunrise site. Another 5,000 single-family homes could be added to the area within the next three years.

"Demographics of the area, level of existing competition and future competition, and infrastructure are the main things we look at when we're evaluating whether and what to develop," said Joe Blattner, president of Seattle-based Tarragon.

The "what" of Tarragon's Sunrise Village is a 65-acre site with 550,000 square feet of retail space and 2,900 parking stalls.

The company has not announced its two anchors for the project, but paperwork filed recently with Pierce County Planning and Land Services indicates Home Depot and Target will be going in. Deirdre Wilson, a senior planner for the county, said signs for Home Depot are currently under review.

Phrases that Blattner uses to describe Sunrise Village, which is set to open next spring, include "open air," "pedestrian-friendly" and "lifestyle center."

"Shopping is becoming more of an entertainment option," Blattner said. "People still want to be able to pull up somewhere, grab a quart of milk and leave. But sometimes they want to have a cup of coffee, sit by an outdoor fireplace and read a newspaper."

He said open air centers that are doing well are "selling a shopping experience."

Up and down Interstate 5, mall and real estate developers are adopting the "lifestyle" concept that started locally with Seattle's University Village shopping center.

General Growth Properties Inc. has added outdoor village shopping to Alderwood Mall in Lynnwood. Simon Property Group is redeveloping Northgate Mall in Seattle and Tacoma Mall to integrate more open-air features. Westfield's current expansion of Southcenter will add 75 new stores, six sit-down restaurants, and a 16-screen movie theater.

Even South Hill Mall in Puyallup -- three miles south on Meridian from Sunrise Village -- is planning a facelift for its one-million-square-foot shopping area. Architects are sketching designs for an interior remodel of South Hill, and owner Cafaro Northwest Partnership will add exterior shops.

"For all the world it will look like a town center, but it will shop more conveniently than a village type mall," said Don DeSalvo, a general partner with Ohio-based Cafaro. You won't have to walk through the wind and the rain."

DeSalvo said the changes, which should be complete in the next year and a half, are not a reaction to the current trend.

"I've seen the full cycle of retail construction," DeSalvo said. "First we had the stand-alone stores. If you have a pencil in your hand and a pad in front of you, draw a box. Across from that draw another box. Add a third one on the bottom of the page and a fourth one across from it. Now put a roof on it and you have a mall."

While the trend in retail now seems to be "taking the roofs off" shopping areas, DeSalvo said that University Village's success is driven by demographics, not solely by the fact that it's an open-air shopping experience.

Changing demographics and the geography of the Puyallup area make Cafaro's mall ripe for a remodel. When South Hill was first built in 1988, the average household income was around \$30,000; now it is well over \$70,000.

And the market has space to grow.

Unlike some regions that are bound by freeways or water, DeSalvo observed, "If you drop a compass on the top of our mall, Puyallup can grow in four directions."

As more commercial real estate developers take interest in Pierce County, DeSalvo believes the company's success will be determined by how well it takes care of the community.

Tarragon, which also is responsible for the Kent Station development, is locally owned and operated. It is also breaking ground this month on a smaller shopping area called Junction 192. The 84,000-square-foot-project will be on the northwest corner of Highway 410 and 192nd Avenue East in Bonney Lake.

"We're long-term holders of the projects we create," Tarragon's Blattner said. "We're not just doing business deals here."

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