

Town & Country:

go inside the development booming in NE Houston

BY BRANDI SMITH

At the intersection of the Grand Parkway and I-69 (US 59 North), just north of Kingwood, lies another intersection: one of planning and opportunity.

Texas Leads the Nation

Valley Ranch Town Center is rapidly taking shape in the northeast Houston corridor, seizing on a development boom in the area. The difference is that Valley Ranch isn't scrambling to keep up; it's building according to the plan that got its start nearly two decades ago.

"What drew us to the area really was a small piece of property, just 100 acres. That was the initial acquisition for Valley Ranch in 1999," explained Daniel Signorelli, President and CEO of The Signorelli Company, recognized as one of the leading real estate developers in Texas and Oklahoma. "From 1999 to 2006, we quietly made seven acquisitions to ultimately assemble the 1,400 acres that make up Valley Ranch."

For years, Signorelli watched while the area was virtually ignored as suburbs expanded far from Houston's downtown. Communities such as The Woodlands and Kingwood are nearing completion, he pointed out, which means developers are looking for replacement properties in the northeast corridor.

"It's a true new market and arguably the only one of its kind in Houston." - Daniel Signorelli

Valley Ranch, meanwhile, is a short 15-minute commute to IAH and 25 minutes to downtown Houston. The 10-minute commute to the ExxonMobil campus in Spring, and other new business centers in The Woodlands/Spring area, are also expected to positively impact growth in northeast Houston. Currently, the area boasts a current population of more than

195,000 and an average household income of \$88,237 within a 15-minute drive to Valley Ranch.

Now a thriving master-planned community, the development is taking the next step: building a new 240-acre town center. With more than 1.5 million square feet, it is the largest retail project under construction in the Houston area.

"That's about the most exciting thing in our world right now because we have so many moving parts, so many leases that we're negotiating, so much construction going on," Signorelli said. "We have critical mass with substantial anchors and a handful more that we will be announcing here in the next 45 to 60 days."

"Not only are prospective retailers impressed by the tenant lineup, they are also excited about the growth and promise of this entire area," said Eric Walker, partner with Capital Retail Properties and the leasing agent for Valley Ranch Town Center.

Phase one is now under construction with an impressive roster of stores and restaurants featuring anchors Kroger Marketplace®, Sam's Club, Academy Sports + Outdoors and Hobby Lobby, plus dozens of other popular stores and restaurants. The first phase of 505,000 square feet of retail is ahead of schedule and projected to open in a few months. The second phase is expected to open in the spring of 2017, adding another 275,000 square feet, and the final phase is projected to be delivered by the end of 2017.

"Our vision early on was to have probably 80 percent residential with 20 percent retail and other uses," said Signorelli. "Ultimately, this project evolved into maybe 40 percent residential, 10 percent parks and common areas and stuff, and the other 50 percent will be retail, medical, or commercial uses."

Valley Ranch Town Center will also include an entertainment district with a state-of-the-art Cinemark Theatre, multi-family residences, and community attractions including the massive 8,500-seat Texas Drive Stadium, 400-seat New Caney ISD Aquatic Center, Little League baseball complex and family activities at Ed Rinehart Park, and a 10,000-seat amphitheater. Bordering the



hub of Valley Ranch Town Center is the 135-acre Town Grove Park, providing serene greenspace and pristine lakes for events and gatherings.

"We are focused on bringing the highest quality and variety of retailers to Valley Ranch Town Center. But we are also creating a 'downtown destination' for a vibrant corridor that lacks these high quality components that other Interstate corridors enjoy," Signorelli said.

Along with a wide variety of tenants, Valley Ranch Town Center will feature new prototypes for several stores including curbside online order pickup for the 123,000-square-foot Kroger Marketplace® and Sam's Club.

"The biggest surprise to tenants today seems to be the high population and excellent household incomes found in our trade area," Signorelli said. "They are excited to have a store underway, less than a half-hour from downtown and not having to worry about cannibalizing an existing store. It's a true new market and arguably the only one of its kind in Houston."

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Development in the northeast quadrant is only expected to grow. According to a study conducted by CDS Market Research, the Valley Ranch trade area will add 2,560 housing units per year between 2015 and 2020. That means it will double its population and households by 2030.

"You know, they say it's better to be lucky than good. We've been substantially lucky on this project," Signorelli said. "Valley Ranch is clearly at the epicenter of mobility, connectivity, significant population and future growth for this I-69 corridor. This is the next big frontier where strong existing population is being met by significant development." ●