

Developer postpones retail-center project until 2011

Builder forfeits \$7.4 mil tax break at site in Surprise

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An open-air shopping center developer has slowed its plans to build a 68-acre project anchored by The Home Depot and JCPenney in Surprise.

The delay means project developer Vestar Development Co. is no longer eligible to receive \$7.4 million in city sales tax reimbursements for building Sycamore Farms Towne Center, slated to go up near Cactus Road and the future Loop 303.

"National retailers are all in standby mode, watching and waiting to see what happens in the city due to the housing slowdown . . . nothing has changed in terms of what would go there. The only thing that has changed is when they would go," said Vestar Senior Project Manager David Malin.

The recession quashed Vestar's ability to start construction on the project by Dec. 31, 2008, a requirement to receive the sales tax incentives. The company still hopes to build Sycamore Farms Towne Center and has pushed back the project's target opening date to summer 2011. Though Vestar's original development agreement has expired, City Manager Randy Oliver said the city council might investigate a new agreement once the company is able to move forward.

Preliminary marketing materials for the center showed that alcoholic beverage retailer BevMo, Sports Authority, OfficeMax, Ross Dress for Less, T.J. Maxx and PetSmart, as well as the now-defunct Circuit City and Linens 'n Things, were likely to become tenants at the center. Malin said only The Home Depot and JCPenney have contracts with Vestar.

If the project goes as planned it would be built across the street from Westcor's two future Prasada retail centers, forming a 148-acre strip of shopping. Westcor was expected to break ground on its project early this year, but those plans also were pushed back. Westcor is expecting to open its Prasada centers in 2012.