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Villages at Fairview and Allen will add up to \$1 billion of finished space

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Two new developments called the Village at Allen and the Village at Fairview are more like small cities.

Sprouting from former farmland, the combined development is one of the nation's largest mixed-use projects. It straddles Stacy Road along U.S. Highway 75 in Allen and Fairview.

It's Dallas-based MGHerring Group's biggest project – at 3 million square feet of retail, office, residential and hotel space at a finished value exceeding \$1 billion. Developers Buddy Herring and son Gar Herring assembled the 400 acres from many owners.

In October, the first phase of the Allen side will open with dozens of retailers and restaurants, including Dick's Sporting Goods and Uncle Julio's. The Fairview side, which includes apartments, is scheduled to open next August.

The project is a hybrid – a mix of an open-air lifestyle center with big-box retailers such as Best Buy and large anchor tenants such as J.C. Penney.

Fast growth

"With gas prices as they are, people can live and work there without driving long distances," said Heather Herring, MGHerring's marketing director and Gar's sister. "This has been an underserved market."

Allen and Fairview, with 82,000 and 8,600 residents, sit in Collin County, one of the wealthiest counties in the state and one of the fastest-growing in the country. Both towns were among the fastest-growing in Texas in the last year. Median household income in each topped \$80,000 in 2005.

"The great thing about this property is it's really the hole in the doughnut as Plano's growth meets McKinney's growth," Gar Herring said. "Dallas-Fort Worth is a strong market, and Collin County has even stronger growth."

Although many retailers have scaled back expansion plans due to economic pressures, Mr. Herring said some are building larger-than-usual stores at the Villages in Allen and Fairview. Several retailers have predicted higher sales there than at other locations due to the area's fast growth and high income levels, he said.

While Plano-based J.C. Penney has slowed store growth this year and next year, it plans to open a store at the



MIKE STONE/Special Contributor

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Village at Fairview. The 114,000-square-foot store will be slightly larger than its typical store because it will include furniture, said company spokesman Tim Lyons.

The plans

The Village at Allen will feature 1 million square feet of retail and 500,000 square feet of offices. After some stores open this fall, the next phase opens in March with SuperTarget and a 220-room Courtyard by Marriott hotel. The \$50 million, 6,275-seat Allen Event Center opens in October 2009.

"Now, we have to drive down to Grand Prairie," said Jennifer Grimm, Allen's director of business development.

Allen will own the arena and Phoenix-based Global Entertainment will manage it. Global runs the Central Hockey League, an independent professional league, and plans to launch a new team there.

The Village at Fairview will offer 1 million square feet of retail, 200,000 square feet of office, 675 apartments, a 280-room Embassy Suites and Village Roadshow Gold Class Cinema, the first in Texas. The eight-screen, 360-seat cinema will feature plush recliners, a gourmet menu, concierge service and valet parking.

Fairview met the Australia-based company's criteria: A large, affluent population and other lifestyle center tenants that reflect a similar luxury image, said Clarke De Pastino, a spokesman for Village Roadshow. Moviegoers will pay about \$35 for a reserved seat.

Outdoor features including pavilions, fountains, playgrounds and dog parks are focal points. MGHerring is planting about 2,500 trees and is building a four-mile concrete trail that will wind through the Allen and Fairview projects. It also may launch a shuttle service to run between the two developments, Mr. Herring said.

"Public and green space is very important to us, the retailers and consumers," he said. "You're creating more than just a place to shop – it's a place to spend leisure time and meet family and friends. To do that, we have to create a comfortable and natural environment."

MGHerring is a family affair. Mr. Herring developed retail in California for five years before returning to Dallas in 2004 to help grow the business his father founded in 1984.

MGHerring has grown to 60 people from a handful in 2004 and recently developed another large project in Cedar Hill. It has developed more than 30 shopping centers in eight states and Mexico.

Big changes to come

Fairview may need to come up with a new motto. "Keeping it Country" worked well as long as the town's only retail was a 7-Eleven and a small strip mall.

"We almost had no retail and now we're going to have a massive amount of retail," said Ron Clary, Fairview's economic development director and a resident for 15 years. "I'm thrilled. It offers a great convenience nearby, and with the price of gasoline I don't have to drive to Plano or Frisco."

The Village at Fairview will double city coffers, with revenue of about \$2 million, said town manager John Godwin.

In Allen, the project will generate about \$3.5 million in revenue in the long-term, said finance director Kevin Hammeke. MGHerring also gave the city 15 acres for the arena and a \$41 million loan. The project will create 6,000 jobs in Allen and Fairview, estimated Allen's Ms. Grimm.

Both communities gave financial incentives to MGHerring to be repaid by the development's sales and/or property taxes. Fairview provided a \$44 million grant for infrastructure and construction costs and waived other taxes and fees. Allen issued \$47.8 million in taxable revenue bonds for the construction of its arena, parking garages and infrastructure.

Mr. Herring already is considering more offices and hotels in Fairview.