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# Dallas developer Jack Matthews rekindles South Side vision

**The time is right for new construction, sources say**

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It's been more than a decade since developer [Jack Matthews](#) converted the old **Sears** distribution center off Lamar Street into an apartment building and began creating a South Side residential and entertainment development in The Cedars, a neighborhood south of downtown Dallas.

Now Matthews is readying to extend his original vision for the historic district toward Dallas' inner core.

He owns about 80 percent of the developable land in the mile stretch off Lamar Street between South Side north to the **Omni Dallas Hotel**, and his plans will open up more opportunity for the kind of shops, restaurants and entertainment venues that are attractive to a small but growing downtown population and could spark neighboring development.

Prior to Matthews starting his South Side project, there wasn't anything going on in The Cedars, but that's changed drastically, said [Larry Hamilton](#), CEO of Hamilton Properties Corp., which has redeveloped historic buildings into residential and retail downtown.

"It was amazing that they pulled South Side off with as many units as they did at a time when it was an unproven area," Hamilton said. "It's less speculative today than it was then and the area is really coming along."

The development of The Cedars district is important to the city's overall vision for the area, he said. That's something [John Crawford](#), president and CEO of **Downtown Dallas Inc.**, agrees with.

"The only danger we risk is if everything happens at one time," Crawford said. "We need critical mass in downtown Dallas. That need for critical mass is attracting developers and I think over the next five years you'll see more projects like these."

Matthews' newest project is the development of a \$32 million, 164-unit apartment property known as 1400 Belleview at Belleview and Lamar streets.

Construction on the 1.64-acre site at 1400 Belleview St. is scheduled to begin in early 2013. **BGO Architects** is the project architect. KWA Construction is the general contractor.

With most of the historic buildings around Lamar already redeveloped, it's time to start building new, he said.

One of Matthews' parcels of land off South Lamar Street, a block north of The Cedars Social restaurant, is slated for another apartment development. Matthews Southwest is in the planning phase of the project, which could get underway by fall 2013.

Every future project will strengthen the tie between the original redevelopment of the old Sears distribution center and the newly completed NYLO Dallas South Side hotel.

"South Side is really coming into its own," Matthews said. "It slowed down in 2007 and 2008, and now we are back at it."

One of the game-changing moments: Opening the nearly \$20 million NYLO Dallas South Side hotel in August.

The anecdotal success of the project stems from increased activity and nightlife in the area, Matthews said.

That activity has pushed Matthews to prepare plans to double the size of Urban Market, the grocery store and deli that serves South Side. The grocer will grow to 5,500 square feet next year.

"The opening of the NYLO has given some serious life to the area," Matthews said. "It was the missing piece, and I didn't know how serious it would be."

### **Building a new address**

1400 Belleview, in what is being called South Side's second phase, received \$1.6 million from the City of Dallas' Cedars tax incremental financing district.

The Lamar Street corridor is an important thoroughfare to the City of Dallas, said [Karl Zavitkovsky](#), director of the Dallas Economic Development department. South Side running northward to Victory Park is a priority for development, he said.

"It's very important because it establishes some residential critical mass, and in this case, you'll have some nicely built affordable units," he said.

Zavitkovsky says he predicts substantial retail, entertainment and restaurant growth in the Lamar Street corridor.

"There is a lot of momentum right now, and the economy has picked up," he said. "Our downtown population is approaching 10,000, and you really need to double that to have self-sustaining critical mass."

The Cedars area has a 96 percent occupancy rate, said [Jay Denton](#), vice president of research for Addison-based **Axiometrics Inc.**, which collects and analyzes apartment data throughout the nation.

Monthly rental rates at the American Beauty Mills Lofts range from \$875 to \$1,850, with an average lease rate of \$1,120.

The lease rate for South Side on Lamar ranges from \$1,060 to \$3,500, with an average of \$2,000, according to Axiometrics.

"We've seen in other metropolitan areas throughout the United States that there's a development sprawl in areas near the urban core," Denton said. "It's seen as a transitional area, and developers could find it makes financial sense to build there."

Candace covers commercial and residential real estate and sports business.