

South Oklahoma City's Palagio is textbook retail project

Developer P.B. Odom III's Palagio retail center, at SW 104 and S Western, has ridden the ups and downs of the economy, from one recession to another. Palagio is on an “up,” with a McAlister's Deli and other new shops, and more expansion is in the works.

BY RICHARD MIZE richardmize@opubco.com

Published: April 30, 2011



P.B. Odom III has added a McAlister's Deli and other shops on an outparcel of his Palagio shops at SW 104 and Western Avenue, and is working on a 60,000-square-foot expansion plus a self-storage center on the property. **PAUL B. SOUTHERLAND - THE OKLAHOMAN**

It's a great intersection, SW 104 and S Western Avenue, with a high traffic count. The deli is surrounded by highways — Interstate 35 is two miles east, Interstate 240 is two miles north, Interstate 44 is less than three miles west. Nearby [Westmoore High School](#) provides a good weekday lunchtime crowd.

“Then there's all the rooftops around this area,” Barron said, meaning houses — neighborhoods full of houses of people with money to spend.

“We're kind of right in the middle of everywhere,” said Barron, regional director of operations for [Tulsa's](#) Bothwell-Saxton Restaurants, developer of McAlister's Deli.

It's not a textbook — just the latest chapter in P.B. Odom III's most recent retail storybook: Palagio, the shopping center with an Italian villa theme. He has been working on it for almost a decade.

A realty page-turner

Odom bought a shuttered Albertson's Supermarket on the site — a casualty of the great [Walmart](#)-supermarket wars — in November 2002 at auction. He planned to find a replacement tenant, but lingering effects of the post-dot-com-9/11 recession of 2001 left the store northeast of SW 104 and S Western vacant.

By fall 2004, Odom had decided to break up the big box, look for multiple tenants, and knock it down to size — from 51,000 square feet to a little less than 45,000 square feet. He brought in Buckner & [Moore Inc.](#), a general contractor, who “basically redid everything,” Odom said. “It was a huge, major remodel.”

In the meantime, he put together another five parcels of commercial land adjacent to the north, some of it repossessed, representing someone else's plans dashed in 2001, for a total of 11 ½ acres. He tore down a closed-down Circle K store on the hard corner at SW 104 and S Western.

“When I started this remodel, there were no tenants lined up,” Odom said.

Recession hit

Tenants eventually did line up, starting with [Marble Slab Creamery](#) in August 2005. Grand openings and ribbon cuttings celebrated commercial revival, with an Italian flair, at one of [south Oklahoma City's](#) major crossroads.

Then came the Great Recession in 2007. Several of Palagio's tenants, locally owned and operated, didn't make it. Back to work Odom went, and now Palagio has all national tenants:

Fitness 19, [Pizza Hut](#)-WingStreet, Athlete's Foot, Dream Dinners and Marble Slab Creamery in the original building, which leases for \$16.50 per square foot per year, plus \$2 for common area maintenance. That's well above the year-end 2010 southside submarket average of just more than \$10, according to Price Edwards & Co.'s [iPhone](#) app.

Premium rents

The McAlister's Deli building, finished less than six months ago, leases for \$30 per square foot per year, plus \$2 for common area maintenance. Odom said he's not raking it in with that lease rate; because of the land cost for the high-visibility corner and the high-finish of the build-to-suit project, it takes such a high rent to make it work.

Knowing [Craig Bothwell](#) helped. Bothwell, president of Bothwell-Saxton, started out with the Ken's Pizza chain, which became the Mazzio's Italian Eatery chain, where Bothwell retired as CEO in 2005.

“That gave me a comfort level” with the Palagio expansion, Odom said. “I was very comfortable with Craig Bothwell. I had to be comfortable with the business and the man.”

Up next for Palagio: another chapter. Odom is working on a 60,000-square-foot expansion — another multitenant building, facing S Western — with a self-storage center on a dogleg of the property in back.

Read more: <http://newsok.com/south-oklahoma-citys-palagio-is-textbook-retail-project/article/3563365#ixzz1LTLgpKL1>