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This \$1.3B mixed-use project in Bowie taps into youth sports demand



A rendering of South Lake Marketplace, 600,000 square feet of commercial uses that recently began construction in Bowie, just off U.S. 301. The indoor sports facility is shown in the upper left.

NAI MICHAEL COS.



By <u>Dan Brendel</u> – Staff Reporter, Washington Business Journal Jun 27, 2024

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NAI Michael Cos. recently celebrated starting construction on the commercial portion of its \$1.3 billion <u>mixed-use development known as South Lake</u> in Bowie. In a rare interview, the company's president talked me through the project, especially how its

adjacency to a big-draw youth sports complex makes it something of a unique case of suburban placemaking.

South Lake, which will weigh in at about 3.6 million square feet when all is said and done, will include 1,600 residences, ranging from single-families to apartments to senior housing, on about 380 acres along U.S. 301 — part of eastern Prince George's County that's otherwise largely dominated by suburban sprawl with limited amenities, industrial and rural uses.

But what really makes it stand out is that its roughly \$400 million commercial portion, dubbed South Lake Marketplace, sits right next to Liberty Sports Park — a 10-field outdoor complex for youth and adult lacrosse, field hockey, football and other sports. The park opened in 2022 and already attracts 344,000 league and tournament attendees annually.

South Lake and Liberty are separate — the county owns the sports complex land and a nonprofit manages it — but integrally related, both creating demand for the other to satisfy.

"Together those kinds of things are a unique driver to what would otherwise be a shopping center in the middle of a residential community," longtime NAI Michael President Gary Michael told me.



South Lake's site plan. South Lake Marketplace, the commercial portion at bottom right, broke ground this year. NAI MICHAEL COS.



A zoomed in look at South Lake Marketplace.
NAI MICHAEL COS.

South Lake Marketplace, which broke ground in January, will include a Giant, two hotels and its own indoor sports facility, among other things — about 600,000 square feet in all. It has entitled room to grow up to about 900,000 square feet, across 60 acres south of the development's residential neighborhoods.

Giant is planned to open in November, and the first hotel, a Home2 Suites by Hilton, should start construction in a couple months, Michael said. NAI Michael will transfer the indoor sports facility site to a nonprofit that'll develop and operate that facility, separately from but in cooperation with Liberty. Michael expects South Lake Marketplace's full buildout in mid-2026.

Liberty Sports Park's 50 acres of grass and turf fields and surface parking abut South Lake's southern edge, about a half-mile from where the hotels will go.

Greater Washington boasts numerous big mixed-use developments, but typically they're predicated on the sorts of trophy office, entertainment venues and tightly clustered restaurants, and often at least nominally on Metro accessibility, that depend on higher population densities. Heavy-hitting commercial uses you might expect in the region's lower-density outer parts, well off transit, often look more like the sprawling industrial parks with millions of square feet of warehouses immediately to South Lake's south, which NAI Michael also has hand in, or the data centers that Prince George's is actively trying to attract more of. They're lucrative in their own way, but not the walkable, people-drawing uses generally envisioned as the cores of mixed-use places.

South Lake seems to have capitalized on a distinctive placemaking niche. The sprawling sports fields that a press release calls South Lake Marketplace's "main attraction" probably wouldn't work for a Reston Station, say; but neither would trophy offices work for eastern Prince George's.

NAI Michael isn't alone in recognizing the economic development potential of youth sports. Earlier this year, local legislators in <u>Montgomery County began noodling on how they might slice off a bigger piece of the sports tourism pie</u>. "There absolutely is a market" for more youth sports venues, Montgomery County Council member Gabe Albornoz, D-At large, said at the time.



NAI Michael Cos.'s president Gary Michael, right, and his father Ken Michael, who started the company decades ago. DAVID ANDERSON

Michael reflected on his own family's experience driving for hours for his daughter's soccer games. "And then you're half an hour from the fields, and you don't have enough time to do anything between games, and you sit there in the heat under one of those little pop-up tents," he said. Whereas proximity of South Lake Marketplace will provide sports goers an opportunity to "walk from the fields, go grab a smoothie, or go to lunch or go back to your hotel room."

Liberty Sports Park, the development of which Michael helped oversee and on whose board he also sits, is "exceeding expectations," he said, noting that 200 teams played there over Memorial Day weekend.

NAI Michael bought the land for South Lake in 2000, when it was planned and approved for an office park. Even then, the company knew "standalone office parks without other amenities was not a really good thing," Michael said. So, it pursued a

residential mixed-use concept from the get-go, before that sort of thing was planning orthodoxy, and before Liberty Sports Park planning was announced in 2017, providing an opportunity to reposition the development's planned commercial component to take advantage of that new consumer base.

NAI Michael is developing and will continue to own and operate South Lake Marketplace's commercial uses. It brought in Owings Mills, Maryland-based Chesapeake Realty Partners as a partner to prep the land for South Lake's residential pieces. Chesapeake developed apartments north of South Lake Marketplace, which are complete and well-leased, Michael said. Mid-Atlantic Builders, NVHomes, Ryan Homes and DRB Group are buying, developing and selling the single-family and townhome lots. Residential sales started in late 2022, with more than 250 homes sold so far, per a press release.

South Lake as a whole has benefited from \$32.6 million in tax increment-financed county bonds issued in 2019 for project infrastructure. Maryland's state government contributed \$15 million to Liberty Sports Park.