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"Ozarks' \$2 billion floodgate Opens"



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Lake of the Ozarks welcomes massive retail, hospitality development boom

In "Dogpatch," an influx of full-time residents is turning the former resort area into a land of new commercial real estate opportunity.

Don Jacobson Editor

Things might never be the same in Dogpatch.

Population growth fueled by an explosion of condominiums along the shores of the Lake of the Ozarks is producing a development boom the likes of which the area around the historic Bagnell Dam has never seen, in so much so that some \$2 billion in new commercial and residential development is slated for the next few years in and nearby Lake Ozark, Mo.

That kind of real estate action a far cry from just a few years ago, when the town's Bagnell Dam Strip commercial area was considered to be dying, and its famous Dogpatch hillbilly souvenir emporium was pretty much the only game in town as far as retail development went. Now, with the state of Missouri getting ready for major road improvements to handle the juiced-up traffic flow around Lake Ozark and nearby Osage Beach, a project called Horseshoe Bend is getting ready to break ground on a \$582 million master-planned community containing a 1 million square foot "power" and "lifestyle" retail center as well as 2,200 residential units, which its promoters say will be the face of the changes in the area.

And it's certainly not alone. Also in the works is project from Silver Star Development LLC of Tuscumbia, Mo., that's dovetailing into Horseshoe Bend. Its builders are envisioning a double duty for it - first, to provide a 180-acre family entertainment and retail complex adjunct to Horseshoe Bend, as well as to serve as a spark for the longer-term redevelopment of the aging Bagnell Dam Strip.

Among the other plans on the drawing board for the Lake of the Ozarks are a \$240 million, 1 million square foot retail center from Prewitt Enterprises along a newly rebuilt U.S. Highway 54; a 15-story luxury hotel from John Q. Hammons Hotels & Resorts in Osage Beach; and Oak Ridge Landing, a planned 135-acre retail center in Camdenton, Mo.

The dam itself last year celebrated its 75th birthday, and the occasion brought forth many memories of when the commercial strip that became downtown Lake Ozark first took shape in the 1940s and '50s. In those days, mom-and-pop tourist cabins catering to honeymooners from St. Louis and Kansas City were the dominant economic force, and it was purely seasonal.

By the 1960s, however, the Bagnell Dam Strip had gained serious traction as a tourist hotspot and some first-class resorts had opened on the man-made lake. As more and more people flocked to the Lake of the Ozarks in the next decade and created traffic problems in the dam area, the state responded by building a Highway 54 bypass - a move that helped relieve congestion, but which also served to divert traffic away from the Strip. That started an inevitable decline of downtown Lake Ozark, even as the surrounding area proved to be a magnet for new residents.

Now, led by a civic group spearheaded by Dogpatch owner Mike Page as well as several active developers, state and city officials have succeeded in

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implementing plans to create a new two-mile, privately-financed road that will cut through a wooded area and connect Horseshoe Bend Parkway, which leads to much of the prime lake resort areas, directly to the newer stretch of Highway 54.

Arrayed along the new road will be 800 acres of new development, which area officials say will be the biggest the lake has ever seen.

They also hope it will help revitalize the Strip.

Lake Ozark now sees as many as 10,000 people crowding into the area at the height of the tourist season. By some estimates, there are as many as 8,000 condominium units along the lake, most built recently, with another 7,000 in the pipeline, with many of them very upscale. There are seventeen golf courses in the area as well as four-star resorts.

Those kinds of demographics have caught the eye of retail and residential developers.

"The retail sector of the Lake of the Ozarks market is currently deficient," says William Kuhlow, Bill Kuhlow, president of Cody Road Development and a partner in Horseshoe Bend project. "In that respect, what we're doing is playing catch-up. The topography of the area is very severe, there is not a lot of flat land and retail likes flat land. Somebody has to create it for them.

"So the land developers that are currently working within the area have not been able to deliver sufficient property to satisfy all of the retail needs. That's where the Horseshoe Bend development is fitting in to the picture."

The extension of Horseshoe Band Parkway is the key to plans, Kuhlow says.

"The small community of Lake Ozark does not have the wherewithal to extend the infrastructure in there," he says. "It takes a public-private partnership to get that two-mile road built. Using the financing tools that the state of Missouri has to use, it can be privately financed.

"No state or city money is available, and it's an issue that's not uncommon, and yet is of such a large cost that it needs a larger development and a larger opportunity to bring it about."

The Lake of the Ozarks can support the large-scale commercial plans because it now has a lot more year-round residents, and its part-time residents are spending more time there, says Kuhlow.

"There needs to be some community development to serve their needs," he says. "It's been a challenge to determine the true demographics of the area because none of the communities around the lake are greater 10,000 population, and so there's no one government agency doing the research. But we know the numbers are there."

Agreeing is Ron Armitage of Silver Star Development LLC, which is assembling land around the Bagnell Dam for a projected retail and entertainment complex that would contain outfitters and a water park, among other attractions.

"There's been a lot of real estate development here as far as lake homes and condos and golf courses, but Lake Ozark doesn't generate a lot of sales tax dollars, even though it's a very heavily-visited area from tourism during the season," he says. "A lot of retail dollars are spent in Osage Beach where they have the outlet mall and other opportunities.

"With the development that we're doing, as well as with Horseshoe Bend, it's going to open up an area that's not used now. There will be the development of shops and retail stores, multifamily housing for employees; an entirely new concept from anything that has been here."

Lake of the Ozarks lacks a family entertainment complex, as well as boutiques and upscale shops aimed at tourists. Dogpatch may have the nostalgia factor going for it, but it's enough. And with the explosion of planned commercial development there, that may not be the case for much longer.



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