

Gold's to open Broken Arrow gym

Tulsa metro area's second location

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Gold's Gym will open its second Tulsa-area fitness complex this month, renewing a planned corporate expansion in the Sooner State.

The Irving, Texas-based chain will provide a soft opening of its estimated 46,000-square-foot Broken Arrow center later this month at 2360 W. Kenosha St., leading to an Aug. 22 grand opening, said Marketing Manager Michelle Micheletti.

The Marshall Co. of Corpus Christi, Texas, which handles construction contracts for Gold's parent Cresta Development, built the two-story Broken Arrow facility.

An April 2008 building permit valued the construction project at \$4.5 million, according to city of Broken Arrow Director of Communications Keith Sterling. Micheletti could not comment on the cost.

"We're in presale season and we're actually ahead of our goals," she said of customer memberships, which come under several price options. "It's been very successful."

Gold's started this Oklahoma brand-establishing effort in October 2007, intending to open seven or eight locations over the next three years, most targeting the Oklahoma City area.

The first came that month with a 44,850-square-foot gym carved from a former Mervyn's department store at 6612 S. Memorial Dr. in Tulsa, facing a Wal-Mart Supercenter and Woodland Hills Mall. That site provided not only space for the gym, but more than 30,000 square feet of retail space, most of that facing Memorial.

One month later an affiliate of Cresta paid \$2.9 million for about 19 acres at the corner of Kenosha and Aspen (71st and 145th streets in Tulsa signage).

But the spreading recession slowed many such expansion projects, hitting the retail sector particularly hard. Evidence of that remains starkly visible at Gold's Woodland Hills retail space, much of it never occupied since its 2007 renovation.

That could indicate why Cresta has not started construction on a 19,338-square-foot retail center originally planned to accompany the Broken Arrow location. Micheletti said that complex remains under development.

"The retail market is really driven more by the national economy more than the local," said Darren Currin, vice president of OKC Property Research. "A lot of the retailers that would occupy that space are national retailers and most of those are pretty much frozen right now. They can't get financing."

That keeps retail construction in a holding pattern, waiting on market improvement, said Mendy Parish, senior broker with CB Richard Ellis of Oklahoma. Anticipating midyear Tulsa retail vacancy rates will rise from 2008's 17-year high of 14.86 percent, she expects activity will stay slow through the rest of 2009.

"I don't see things loosening up, but I don't see any further deterioration," Parish said. "I think

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Michelle
Micheletti
Marketing Manager

we're getting to some point where we're going to reach some stability, but I don't see much sign of improvement."

While Gold's maintains plans to continue its corporate expansion into Oklahoma City and other suburbs, Micheletti said the company has no timetable for that development. The Broken Arrow store represents the only Oklahoma opening this year, with no other state projects on the immediate horizon. But Micheletti said Cresta continues to research possible locations.

"It definitely is an expansion market for us and we're very excited to be opening our second location," she said.

Although slightly different in size, Micheletti said the two Tulsa-area gyms share iconic Gold's programs and systems. These range from a full basketball court and lap pool to a "cardio cinema," where people exercise while watching a surround-sound film. Gold's also offers free fitness classes and childcare, with options from personal care to a smoothie bar.

Micheletti expects the 40-employee Broken Arrow location to complement the Woodland Hills site, with some membership plans providing access to both facilities.

"We think that just having another location is going to help reinforce our presence there," she said.