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BUSINESS

Construction starts on West U Potbelly



SANDWICH ZONE: A Potbelly Sandwich Works is going up at 5800 Kirby to serve the Rice Village/West U area.

DEAL OF THE WEEK: Construction has finally begun on a Potbelly Sandwich Works at 5800 Kirby at Tangley in West University Place.

Potbelly is leasing a new freestanding brick building from Kirby Retail Fund. Opening is targeted for March.

The 1950s-era Shipley Do-Nut that formerly occupied the site has gone the way of many homes in the neighborhood it served. Potbelly's corporate construction team opted to tear down and start fresh when they determined the building couldn't be retrofitted.

Jerry Tipps of Tipps Architecture designed the 2,000-square-foot brick

building, which features a "Chicago School" style. Level Commercial is the general contractor. The restaurant will have 20 parking spaces.

Kirby Retail Fund purchased the site in late 2004 with the intention of leasing the Rice Village-area site to a high-dollar tenant after the Shipley's lease expired at the end of 2009. The property had always been occupied by a commercial user but had been rezoned for townhouses in 1987. It had to be rezoned again before a retail building could be put up. The process took seven months and was approved in June of last year.

"We hoped that one day we would be able to lease either the existing building or a new building to a high-sales generator," said Bob Orkin, the general partner of Kirby Retail Fund. "A Potbelly-type operation generates much higher revenues per square foot than a doughnut shop is able to generate."

Bruce Frankel of Frankel Development Group procured Potbelly as a tenant and represented Kirby Retail Fund in the lease. Beth Palka and Nick Hernandez of Page Partners represented Potbelly.

Potbelly, known for its collection of antique stoves, toasted sandwiches and old-fashioned milk shakes, has 10 locations in the Houston area and plans to open in Royal Oaks this year.

The restaurants are spread across town in areas such as Sugar Land, Greenway Plaza, the Galleria, downtown, Webster, Katy and The Woodlands.

- KATHERINE FESER