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## Merchants association working on deal for large wholesale warehouse

Austin Business Journal - by [Jean Kwon](#) ABJ Staff

The **Greater Austin Merchants Association** is negotiating a deal to buy the former Dell Outlet Factory in Northwest Austin.

GAMA, a member organization that represents independent, first-generation American business owners in Central Texas, is planning to turn the largely vacant 123,000-square-foot property on more than 10 acres into a wholesale retail warehouse catering to gas station and convenience store owners, sources familiar with the deal say. The concept would emulate warehouse retail chains like **Sam's Club** and **Costco**, and be open to the public.

The property's listing shows the seller is asking for \$8.25 million. SW Oaks Holdings Ltd. is the owner, according to the Travis Central Appraisal District. The appraised value of the property is just under \$5 million.

GAMA representatives declined to comment, citing concerns about discussing the deal while still pursuing financing.

Justin Bayne of SkylesBayne Co., who represents GAMA, also declined to comment, and Benita Dryden of Commercial Texas, who represents the seller, could not be reached.

The property, at 8801 Research Blvd., was built as a **K-Mart** store in 1971. Dell (Nasdaq: DELL) occupied the current vacant area of roughly 101,000 square feet for 15 years until this April, selling refurbished Dell PCs and laptops from the gutted store. Salvation Army leases roughly 23,000 square feet on the eastern portion of the building. Most of the vacant area consists of open warehouse, and the remaining space includes offices, training rooms, raised-floor computer rooms and break rooms.

Founded in 1999, GAMA has almost 300 members who are gas station or convenience store owners. Its members, many of them immigrants or nonpermanent residents attempting to achieve permanent status, represent more than \$75 million in convenience product retail sales, according to the organization's Web site.

The for-profit organization creates partnerships with suppliers to receive favorable volume pricing and generate revenue through retail sales. It reports saving members millions of dollars via rebates and volume pricing. GAMA's suppliers include Gatorade, Nestle, **Coca-Cola** and Pepsi.

In 2005, GAMA opened a 21,600-square-foot wholesale warehouse and distribution center at 9715 Burnet Road. According to sources, its lease expires in a year.

*jkwon@bizjournals.com | (512) 494-2528*