

All Up In Your Business | Episode 3

The Culpeppers: Legacy residential, retail developers who still have plans

- Jay Socol: So, welcome to another edition of All Up In Your Business -- I'm Jay Socol. The Culpepper family name is practically synonymous with the cities of College Station and Bryan. So, those who grew up here, or at least have lived here a long time like I have, are at least somewhat aware of the connections to real estate and development for the Culpepper family. So, that's really an understatement. Culpepper Realty Company was founded in 1937 by John Cecil Culpepper, a year before College Station even officially became a city. So, in an effort to get a little bit of history and learn about the developments that might be coming in the future, I have two guests with me today. First, Jack Culpepper, president of Culpepper Realty Company. Jack is the third generation in his family to develop, lease and manage residential and commercial real estate in College Station and Bryan, and other Texas markets. Did I get that right, Jack?
- Jack Culpepper: Yes, sir.
- Jay Socol: Alright. And also Larry Haskins, general counsel for Culpepper Realty. Larry's the guy who I think makes sure that everything is being done right and all the i's are dotted, the t's are crossed, and also a bit of a historian with this company. So, gentlemen, thank you for sitting down with me and doing this.
- Larry Haskins: Great to be here.
- Jay Socol: Good. So, I'm about to get all up in your business.
- Jack Culpepper: Hey, sounds good.
- Jay Socol: So, where do you even start with the Culpepper family, as you guys relate to this community? Jack, where do you start?
- Jack Culpepper: So, our family really started -- I go back and I think about my grandfather and his brother when they were kids. They lived in Mississippi. And during the Great Depression, they were with a big family and they couldn't feed everybody. So they had a relative that was a Baptist minister that lived in Cameron, Texas. So my grandfather and his brother both got a one way railroad ticket to Cameron, Texas during the depression to live with their family friend. So from there, my grandfather met a young lady who was a history teacher, a Texas history teacher in Cameron, and she had a little teacher retirement fund, or I don't know if she had retired, but she had a little money and he talked her into coming, moving to College Station, at that time to Texas A&M University area, and investing in some rural land in that area because he felt like, at that time College Station, the university was focused on the Wellborn side where the railroad station was, but he felt like it would eventually turn and flip the other direction, because there was a new highway coming to town called Highway 6.

Jay Socol: So, that's right. So, some people don't know that the front entrance of Texas A&M actually did face Wellborn Road and the railroad tracks.

Jack Culpepper: Right.

Jay Socol: And what was it, horses or something like that where on the back side of the property, which is now where they were putting then Highway 6? So, yeah, you're right. It was flip-flopped back then.

Jack Culpepper: So, yeah. So, he convinced her to do that. And they moved to moved College Station and invested in some real estate there. And I think one of the first things he did was develop College Hills Estates, started building some houses, and then the Blue Top Tourist Courts.

Jay Socol: What was that?

Jack Culpepper: That was like a little motel that was there. And I remember my dad telling me stories that when he was a kid, they still lived in Cameron. They would drive back and forth and he used to play in the motel area, and my grandfather would be working on the property.

Jay Socol: So, where about was that?

Jack Culpepper: I think it was in the area, I want to say kind of around where Best Buy is today, kind of in that area right there.

Jay Socol: And there was probably nothing there at the time.

Jack Culpepper: Yeah, I'm sure it was just a wide open field. And I'm guessing Highway 6 was a dirt road, but I don't know in the '30s if it was blacktop yet or not, but it was coming.

Jay Socol: So, started out residential and then what happened as the years go by?

Jack Culpepper: So, then he continued developing residential subdivisions like Carters Grove, and then there weren't any shopping areas, very little in Bryan, none in College Station, but in Bryan I guess it was just downtown.

Jay Socol: Right.

Jack Culpepper: And so then he got into building some shopping centers, and the first one was Ridgecrest, which is still there today. It's a tiny little center kind of between Bryan and College Station. And I'm guessing at that time it was kind of on the outskirts of Bryan, headed towards College Station.

Jay Socol: So, sort of right around, if I'm correct, Texas Avenue and North, somewhere in that neighborhood?

Jack Culpepper: Yeah, yeah. Kind of like, I'm trying to remember the cross street there.

Larry Haskins: I think it's somewhere around-

Jack Culpepper: Sulfur Springs maybe, somewhere in that area.

Jay Socol: Okay.

Jack Culpepper: Yeah.

Jay Socol: Alright.

Jack Culpepper: Yeah.

Jay Socol: And so I'm guessing at the time, with moves like that, that probably didn't go over so well with those who were doing business in downtown, right?

Jack Culpepper: Probably didn't. Yeah. I remember one big thing was the talk about, and there was newspaper articles about when, I believe it was Montgomery Ward's burned down in downtown Bryan.

Jay Socol: I've seen pictures of that.

Jack Culpepper: Yeah. And then that kind of helped him get a shopping center going, because they had to move somewhere and so he developed, I don't remember if that was for Manor East Mall or if that was Townshire in Bryan, but that was a big component, which was just pure luck.

Jay Socol: Right.

Jack Culpepper: Or devastation, depending upon which way you look at it.

Jay Socol: Yeah, yeah. No, but I've seen photos of the burned out Montgomery Ward's, and then when I got here in the mid '80s, it's located in Manor East Mall.

Jack Culpepper: Right.

Jay Socol: But we'll get to Manor East Mall and that sort of stuff in it just a little bit. I want to pull Larry in real quick. When did you join the company, Larry? Because-

Larry Haskins: I came in in the mid '80s.

Jay Socol: Okay. So in terms of the timeline we're talking about, you're not there yet, but you're coming.

Larry Haskins: Texas real estate depression is what brought me here. People forget that there were some pretty tough times in this part of the world between say 1983 and 1992. All but two of the local banks went under.

Jay Socol: You picked a great time to come to town.

Larry Haskins: Jack's dad needed some assistance and still had some work to do. So I came up here and been here ever since.

Jay Socol: Okay. So I get to press pause with you because we're coming back. So we're talking about Montgomery Ward's and that sort of thing, as we're transitioning through time.

Jack Culpepper: So we're adding shopping centers to the community. Primarily Bryan, because it was actually a town and College Station was on the rise, and A&M was growing. And so then when there was a need for shopping centers there, my father was also coming on board with his father. And that's when they built Culpepper Plaza, which is a more modern type shopping center. We don't own that now, but we developed that or he developed that.

Jay Socol: So now for people who never knew it as Culpepper Plaza, that's where Kohl's is located. Correct?

Jack Culpepper: Yeah. And Chick-Fil-A, everybody knows where Chick-Fil-A is.

Jay Socol: That's right. Napa Flats. That's really evolved over the last few years for sure. So Culpepper Plaza was a big deal, I know.

Jack Culpepper: Right, right. And that was in the '80s. And then prior to that they actually developed the first large grocery store, which was the Skaggs Albertson's, you know, by campus on South College and University.

Jay Socol: Right.

Jack Culpepper: So that was in the '70s, and so I guess that was actually kind of the first large shopping center that was built in College Station, and it had the largest grocery store probably in Brazos County.

Jay Socol: Oh, I'm sure.

Jack Culpepper: Because it was giant back then. And I remember my dad telling me a story about actually picking up Mr. Albertson at an airport. I don't know if it was Houston or College Station. He and his wife actually came to the site, and they went out to dinner.

Jay Socol: No kidding.

Jack Culpepper: Yeah, pretty wild.

Jay Socol: When that building was being constructed?

Jack Culpepper: I don't know if it was during construction or when they decided to select a site and make the deal. I don't remember what stage, but I know that he got to actually meet him and he came to College Station.

Jay Socol: So by the time I got here, I remember the Skaggs, I remember Mr. Gatti's being there, kind of where Schlotzsky's is, maybe. Somewhere in that vicinity. And then of course IHOP was there.

Jack Culpepper: Right.

Jay Socol: Right? And then a number of stores and a movie theater. And isn't there a little trivia about IHOP by the way?

Jack Culpepper: Yes. IHOP supposedly is the oldest continuing operating restaurant in College Station.

Jay Socol: That is so College Station...

Jack Culpepper: Like 1970 I think it started.

Jay Socol: That's hilarious. Thanks to your family, right?

Jack Culpepper: Yeah, I guess. Yeah.

Jay Socol: Okay. So keep on going through time.

Jack Culpepper: So my father got more involved and they got more into commercial properties. It was later in the '80s, and so they also developed in other communities through Texas, small towns primarily. Around College Station is the largest market we have developments in. So stayed busy, but we've been through ups and downs. Things got tough, like Larry was saying, in the '80s in real estate and Texas in general. I can remember when I came on board in the late '80s, the real estate recession was occurring, and I remember making phone calls, cold calls to retailers, trying to recruit them to College Station. And when I said Texas, they would laugh, because Texas was down. I mean nobody, they weren't doing any new stores in Texas. None of the big retailers were for a long period of time. So it was really slow. And thank goodness things have changed now.

Jay Socol: So Larry, what happens when, during this period that Jack's talking about, right around the time you come to town, where were you focusing your energies and what was going on with Culpepper Realty?

Larry Haskins: We were in a bit of a survival mode. One of the projects that came out of that, during these tough times, was now where the Target is. And if folks will recall, originally right next to the target was a small HEB, which they called an HEB Pantry Store.

Jay Socol: Right, right.

Larry Haskins: And that was when things started to turn around. Target basically would send somebody down from Minneapolis, and they were great folks to work with but they really weren't locally familiar. And they're saying, "Who is this HEB that wants all this stuff? Who the heck are they?" They weren't familiar with ... To them, they were nothing. But that project finally came together and kind of the end of it was when the Outback Steakhouse was put in. And that was the final part. I always like to say that by that point in time, that site was so developed. All the plumbing was in, all the major grading had been done and they built that Outback Steakhouse in 42 days. The crew that was assigned to it, that was I think their sixth or seventh of that same exact plan. And so they were fast and the site was ready.

Jay Socol: Whoa. So I had no idea that went up that quick.

Larry Haskins: I think that's still, at the time it was an Outback restaurant record. I don't know if it still stands, but it went up in a hurry.

Jay Socol: Wow. That is amazing. So you know, so many of the properties that you're talking about that front to Texas Avenue — Texas Avenue's been widened at least once, maybe more, which I guess encroaches on some of those developments. What does that do for you guys, if anything, when you're getting a little chunks of your property taken away by TxDOT to accommodate more traffic? Because it feels like Outback's front door is right on the road.

Larry Haskins: It is, but actually that was allowed to be built that way. The right of way right in that part of the city was pretty well acquired.

Jack Culpepper: Let's say that our experience with TxDOT has been great. I mean we've had a good relationship working with them, with projects and with the city of different cities, but College Station, Bryan. I mean we feel like the process has gone well and people are knowledgeable and understand what we're trying to accomplish. So we haven't had any really devastating effects or anything from taking land for growing. And growing is a good thing to have in the real estate business and you're trying to sell more products and lease space. So the road is widening, there's more traffic, there's more cars, there's more shoppers. So it's generally pretty good thing.

Jay Socol: So I want to pick back up, and I know this is moving over into the city of Bryan, but Manor East Mall was a pretty revolutionary type of development by your family. Talk about that for a minute.

Jack Culpepper: Yeah, so Manor East Mall at the time, I think it was right around the early '70s when it was developed, it was one of the few enclosed malls in Texas. And I know it was certainly one of the few in our and probably in several counties around, and it was a big deal. I remember my dad said it was like on the front page of some big Texas construction magazine because it had all these tilt-up concrete wall panels. And I don't know if you remember, but some of the wall panels had different variations and looks to them and design. So it was like pretty fancy at the time.

Jay Socol: No, but I remember reading that it really was a revolutionary sort of construction, and as the community evolved, obviously Manor East impacted other retail areas in the community, especially in Bryan, as things started moving away from downtown. But that's when I first got acquainted with you two gentlemen and with your dad. That's when I really first was around him a bit, when you were starting to make the transition, when you were announcing the transition from Manor East to Tejas Center, which was a striking change to a signature project by your family. So talk about that, because I think that in my opinion was a springboard to some of the newer things you've been doing.

Jack Culpepper: Yeah. That was a great experience for me and for my father, because he was kind of on the tail end of his career. He was older and I was a younger person. And so being able to work together on a project that he had previously developed when he was younger was a neat experience personally. But also to be from, to have lived in Bryan as a young person and to be able to do something significant and improve that area personally was also really, really neat. And to do that with your father. And he had developed it once. And so we actually tore down most of everything he built, but we replaced it with nice new buildings and new businesses. And it was a neat experience. I learned a ton. We had demolition, we had multi-phase demolition, we had relocations, we had new businesses. And we had a lot of involvement with the city and the community and contractors that we ... I was trying to remember, I think I counted like 100 backhoes on that project at one time.

Jay Socol: From a redevelopment standpoint, I've had some people talk about the Culpepper family and company in terms of that you're very cautious, you're very measured and you watch and you wait. But when you finally find that it's time, that you really move in a significant way. And that was first explained to me by somebody regarding Manor East becoming Tejas. And then even with the beginnings of what you're doing over at Legacy Point with The Stack. That you guys are planning, you're watching, you're waiting, whether it's market conditions or whatever, but when it's time to move on redevelopment, you go. Is that fair?

Jack Culpepper: No, that's fair. That's fair. And I'd like to say that's because we want to make great decisions and do things correctly, but it's also, we can't afford to make a mistake, Jay. I mean, we're small, we don't have investors, we're a family business. So if we make a huge mistake, it's over.

Jay Socol: Yeah.

Jack Culpepper: So we have to do it right. We have to make sure the market's ready. And we have to do our due diligence and line it up and get our ducks in a row because we can't afford to mess up.

Jay Socol: Larry, are you the guy with the foot on the brake or the foot on the gas?

Larry Haskins: Actually I'm the questioner. Okay? And somewhat the skeptic. But at the time the conversion from Manor East to Tejas, we didn't realize at the time was pretty cutting edge. That process throughout the national shopping center industry is referred to as de-malling and it is becoming a development specialty all in itself.

Jay Socol: So what about you, Jack? Is your role as the guy who's pulling people along, or are you being pushed or what is your natural fit with this company?

Jack Culpepper: I guess in general I'm an optimist, and I like to see the positive opportunities. If a big tenant were to leave a shopping center, you can get really down and go, "Oh my gosh, what are we going to do? We got this big vacancy." Or you can say, "You know what, this is a great opportunity for us. We have the opportunity to bring a new user into this market that's not here now, a new business that can generate great sales and provide new products." So it's just kind of, is the glass half empty or half full. To me, it's half full.

Jay Socol: So are you okay if we move back towards the Northgate area, what is now for you guys Legacy Point? Because Northgate has changed so much in recent years through the growth of Texas A&M and College Station and then the southern part of Bryan. But what we think of as the traditional footprint of Northgate really is not Northgate anymore. It extends so much further to the east. Talk about what your development's significance is, and will be as you see it to Northgate and to that portion of town.

Jack Culpepper: So you're right. I mean Northgate is really transitioning over there with, with all the new high rises and the student housing. And you know, Texas is transitioning, our community is transitioning and it's been so exciting to see that and to see this new project that Midway Company put in, Century Square.

Jay Socol: Right.

Jack Culpepper: And to see that success, a mixed use project in our size community is extremely rare. I don't know if people realize this, but a true mixed use project like that in a community our size is very unusual. And so these guys are experts. They did a tremendous job, an excellent project. And they also pioneered that in our market. So we see the success that they're having. We know that College Station can support it. It looks like it has been. It is. And so that gives us opportunity to continue that success. And we look at our track across the street

as that opportunity to continue that success that they're pioneering, and to develop something that would be complimentary to what they're doing and also mixed use. And we want to really bring in, we want to tie in the Century Square people that visit that, the Northgate patrons, the students, the residents of Bryan and College Station. We would like to incorporate all that into our project and have it complimentary. So that's a challenge.

Jack Culpepper: We're from this market. We feel like we can make it special for our market, and for the people here and we want people to feel like this is ours, this is our place, this is College Station's place. This is a special area of town. And we feel that, and we want everybody to have that sense when they come to our project.

Jay Socol: So I imagine most everybody looking at College Station as a place to possibly develop, they all want to be across the street from Texas A&M, I would assume. So with you guys having land across in there, I can't imagine the kind of inquiries you're getting, because I'm sure a ton of folks are asking the what ifs. Even if you're not naming names, what kinds of businesses, companies are talking to you guys about the what is for such an interesting piece of real estate with such proximity to Texas A&M?

Jack Culpepper: You know, we feel like there's a need for restaurant and retail entertainment. I would say entertainment and restaurant are probably the most sought after, desired products for that area, because you have a large student population. That's your driver for those businesses. Entertainment and restaurant. And the retail component would also be a part of that. We also have office users that we feel like there would be a need for some of that, especially being right next door to Texas A&M, having the availability to walk, ride your bike, live in that area. Now with all the student housing, there's so many more people that actually live there that can come down out of their apartments and maybe buy groceries, go have a nice dinner or do a little shopping, relax with some entertainment, some live music or those types of things.

Jay Socol: So a grocery store, major grocery store worked there at one time. You think there's room for some kind of presence in a future phase of Legacy Point?

Jack Culpepper: We would love to see a, it would probably be some kind of a smaller student-oriented grocer. We would love to see that in that center. We feel like there's a need somewhere in that Northgate area, whether it's our project or Century Square or maybe another area in Northgate, the need seems to be there and it's going to grow. So yeah, we'd like to do something like that or have someone else do it is fine too, just in that area. It'll help us all, it'll help that whole area right there to have that availability.

Jay Socol: Do you guys plan on doing this phase by phase? Because I don't recall how many, how much room there is for future phases, or once you guys are ready to move, we're going to see that that whole site really come to life?

Jack Culpepper: We've worked on that and we've had that same question, and we're not 100% sure, but we feel like most likely it will be all done at one time, because there's so much work and so much infrastructure that would have to be done, that's going to be difficult to structure it in two phases. So most likely it'll be one phase.

Jay Socol: What do we need to do about transportation over there? Moving people around more efficiently, safely guess if we're talking about whatever your future holds, kind of co-mingling with Century Square across the street. I mean, how do we reimagine it?

Jack Culpepper: That's a great question. You know what TxDOT has recently done in the city of College Station, improving University Drive in South College and making it more pedestrian friendly with the sidewalks on University, I think is a big step forward. Trying to slow that traffic down on University just for pedestrian safety, going back and forth from campus to Northgate. And if we can continue that thought, I think there's just going to be more and more pedestrians, more and more bicycles. In our project, we're going to have an Uber lane. We're going to be more focused on pedestrian traffic and less on vehicles. But there will be some vehicles. And if we can tie in somehow the safety and encourage people to walk from our property over to Century Square, if there could be a traffic light there or improvements to South College. The median, right now there's a lot of bushes and things like that that could obstruct vision just by people walking across there. So things like that I think would be pretty easy. And then just making it safer for people to walk back and forth and to go to campus and to Northgate.

Jay Socol: So if I could ask both of you guys to look in your crystal balls, and not just for the Culpepper Realty Company, but also for this community as a whole. How do you see things evolving for College Station, for Bryan? What do you see happening in the next 10 years? 20 years?

Jack Culpepper: Want to take that one?

Larry Haskins: Well, right now retail, it's highly publicized, is going through a transition. And that transition, how that plays out will have a factor. Right now you were talking about grocers, they are having a hard time trying to figure out how to bring their product, make it compatible with an urban area. And we have an interesting twist here in that although we are starting to think of the Northtate area as being urban, when you're talking to somebody from a large city and you mention our urban area, sometimes you get that same snicker that Jack experienced back when he was trying to bring retailers here to begin with. But the feel here is good. I'm very optimistic and I'm excited about it.

Jack Culpepper: You know, College Station is the sixth-fastest growing city in the United States.

Jay Socol: Feels like it.

Jack Culpepper: Yeah. So I mean we are, we're growing and have been, and I don't see that changing. I really feel like College Station is just one step away from exploding. I mean, if we had one large employer, like when Austin got Dell. That really changed the game in Austin.

Jay Socol: Right.

Jack Culpepper: If we had some giant engineering company that wanted to locate here or some big biomedical. I mean, we're on the cusp of really ramping up guys.

Jay Socol: You ready for it?

Jack Culpepper: We're already ramping up. But I mean it could really, I mean it seems like we're Austin like 30 years ago, or 25 years ago. Right before the big boom.

Jay Socol: Right. Are you ready for it?

Jack Culpepper: Oh yeah.

Jay Socol: Okay. Yeah. Well thank you for what you and your family have done. Larry, thank you for being part of this and helping College Station and Bryan grow and stay current, and I'm excited to see what the future holds for you. But anyway, thank you for being on the podcast. Really appreciate it very much.

Larry Haskins: Enjoyed visiting with you.

Jack Culpepper: Glad to be here. Glad to be a local business.