

Large project to transform big piece of East Riverside

Houston developer wants to create a new district with shops, apartments and condos

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A Houston developer plans to replace a 50-acre stretch of low-rise apartments and aging shops on East Riverside Drive in Austin with a compact district of townhouses, apartments and retail in what would be the biggest redevelopment yet along the quickly changing corridor.

Grayco Partners' preliminary plans call for between 1,750 and 2,150 apartments and townhouses and between 390,000 and 450,000 square feet of commercial space in the triangle of land between East Riverside Drive and South Lakeshore Boulevard that now has fewer than 1,300 apartments and just 50,000 square feet of retail.

"The scale of it is really pretty unprecedented along a major corridor close into the center of the city," said City Council Member Brewster McCracken, who supports the proposal.

The South Shore District is the latest in a series of redevelopment projects transforming the area from a low-key, moderately priced haven for a large number of immigrants and college students into a sought-after location for middle- and upper-income professionals who have been priced out of the downtown market.

Constellation Property Group has already torn down a hotel at Interstate 35 and Riverside, where it plans to build 251 condominiums in a \$70 million development. Construction on the Acton School of Business is under way next door, and 74 apartments at Town Lake Village on Tinnin Ford Road have been converted to condos.

A mixed-use development with 300 residential units is planned between Royal Crest Drive and Burton Drive.

City officials have supported redevelopment in the area as they seek to increase density in the inner city and improve the appearance of a major gateway into the city from Austin-Bergstrom International Airport.

But the redevelopment has been criticized by some area residents and members of the South River City Citizens Association, who fear they will be priced out as older apartments are torn down. They also said the area's roads and parks cannot handle greater numbers of people.

Leaders of the neighborhood association said they have not seen Grayco's plans, which have not been filed with the city yet.

Grayco plans to buy nearly 20 acres from Cypress Real Estate Advisors that is already zoned to allow up to 1,000 attached residential units.

It plans to ask the city to rezone nearly 30 acres that it owns west of Tinnin Ford Road to allow up to 1,150 residential units and as much as 450,000 square feet of commercial space.

Grayco President Jeff Gray said his company began buying land a year ago and originally intended to build a less complicated residential-only project along Lakeshore Boulevard. He decided to do more because of the area's proximity to Lady Bird Lake, downtown and the heavily traveled Riverside Drive corridor.

"It was just one of those rare opportunities where you could mold or meld various uses together and that the whole was worth more than the sum of the parts," Gray said.

Grayco's vision for the South Shore District extends beyond its property to the maze of streets that have long made access difficult in this well-traveled area. Those road changes are being considered as the city is looking into the possibility of building a light-rail line down East Riverside Drive to the airport.

If that happens, a rail stop would probably be built in front or near the property, McCracken said. He said he would like the developer to consider building more housing in that event.

Grayco hopes to build a variety of housing, including a small amount reserved for families making no more than 80 percent of the area's median family income, or \$45,500 for a family of four.

Some of the housing would be built in low-density townhomes, but most would be in mid- to-high-rise buildings ranging from four to eight stories with retail on the ground floor of some.

One 120-foot high-rise with lake views is also planned.

Gray said the company hopes to begin building the first residential units in late 2008 and start the first mixed-use buildings in early 2009.

Courtesy of JB Goodwin