

Friday, September 24, 2010

\$250M project for SH 130

Homes, shops to spring up near F1 site, ABIA

Austin Business Journal - by [Francisco Vara-Orta](#) ABJ Staff

A new 417-acre, \$250 million mixed-use, master-planned community in Southeast Austin should see construction next year — a project its developer revived thanks to a good local economy and the planned Formula One race track a few miles away.

Watersedge, at the northeast corner of State Highway 130 and U.S. Highway 71, will offer mostly housing with some office and retail development. It's a potential morale boost for the toll road corridor, where hundreds of acres of master-planned communities have been announced but little dirt has turned since the recession started.

Austin-based Watersedge developer Natural Development plans to build 1,250 single-family homes, with 320 multifamily units, 240 townhomes and about 390,000 square feet of retail and office space on 25 acres. The development firm is best known for its master-planned, 1,600-acre Belterra community near Dripping Springs.

“We’re hearing a lot of good things coming down the road about development in eastern parts of Austin, with some in the pipeline regarding new commercial development near the intersection by Watersedge, so we feel like now is the time to push for getting this project built,” said Eric Willis, president of Natural Development.

The developer acquired the site in 2005, and in 2007 it was able to get the city to annex the property in the Del Valle area outside of official city limits along with entitlements and utilities. But then the recession hit, so Natural Development decided to shelve Watersedge until now. The project is financed by **IBC Bank** for an undisclosed amount.

Watersedge will have a variety of natural amenities, such as hiking and biking trails, swimming pools, baseball fields, a kayak launch and neighborhood parks, including its large neighbor, the 300-acre Southeast Metropolitan Park.

The area’s selling point is its tie to Central Texas nature, dotted with native hardwood trees on prairies lining a scenic river valley and with its northern portion bordered by Onion Creek with the Colorado River at its northeast corner, said Jim Vater, vice president of planning for Planned Environments Inc. Austin-based Planned Environments, which specializes in land planning and landscape architecture, worked on getting the project approved, entitled and annexed by the city.

“The plan has a considerable amount of greenbelt and is flexible in its design to market conditions,” Vater said. “It has an advantage on getting started if there is a demand as its approved zoning is in place and utilities are ready to go.”

A ‘formula’ for a catalyst

The creation of State Highway 130 was supposed to be the catalyst for rapid development along its corridor in the eastern part of Central Texas, but developers blamed stalled or scrapped plans on the economy.

Now, developers such as Natural Development are pointing to the proposed Formula One racetrack as the new catalyst that will spark more interest.

Watersedge is about five miles north of the proposed racetrack's site, and Willis said he doesn't believe there will be much noise or negative impact on Watersedge residents.

"We're also happy that the track is now on a site where one of our competitors was slated to build on," said Willis, referring to the 1,800-home, 648-acre Wandering Creek residential development located south and west of Elroy Road and east of McAngus Road that's now slated for the Formula One track.

"And those employees at the track or with affiliated companies setting up next door likely will want somewhere to live nearby, so that benefits us too," Willis said.

Willis said Watersedge should see its first phase of single-family homes ready in the first quarter of 2012.

Eldon Rude, director of Metrostudy's Austin division, a retail and residential market research company, said the Del Valle submarket where Watersedge is located has less than an 18-month supply of developed lots, which he said is well below market.

"So there is a demand in the near future in that submarket," Rude said. "Generally, though, we think that most development, with residential first, along SH 130 will start from intersections with larger roadways."

The following are other projects hoping to get under way along SH 130 in 2011:

- Centerpoint at Lockhart, a \$120 million, 271-acre mixed-use project along State Highway 130 in Lockhart, includes roughly 1.75 million square feet for housing, retail and industrial development blanketing all four corners of SH 130 and SH 142.
- The nearly 2,000-acre Wildhorse Ranch development, located northeast of Austin and Southwestern Railroad tracks that run north of Walter E. Long Lake, is a master-planned community with mixed uses. It includes 3,900 lots for single-family homes, 3,000 multifamily units, a corporate campus for a major employer, retail space and a network of parks and trails. Parts of the tract are for sale, and a minor portion in Manor has been developed. But construction has yet to start on most of the project.
- Williamsville, N.Y.-based [Eastbourne Investments](#) Ltd. announced plans in late 2007 for a 1 million-square-foot retail development at SH 130 and U.S. Highway 290. Eastbourne also has plans for Eastbourne Crossing, a 390-acre mixed-use development at SH 130 and State Highway 71. Eastbourne President Frank Egan said both those projects will move forward, although likely closer to 2011 than the originally projected 2009 start dates — and perhaps in a different configuration.
- Farther north, at U.S. Highway 79 and SH 130, a 466-acre mixed-use development in Hutto named The Crossings of Carmel Creek has undergone changes in ownership but is still in the works, said a spokesman for its new owner, [Hutto Option Holdings](#) LLC.
- This month, an investment group headed by Victoria businessman Cliff Thomas Jr. announced it has bought 148 undeveloped acres in Creedmoor near Texas 45 Southeast and SH 130's junction with Old Lockhart Road for a horseracing track planned to open in 2012.

Courtesy of JB Goodwin