



Friday, October 24, 2008

Big project set for Round Rock

\$250M mixed-use center to be on I-35

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

A \$250 million mixed-use development is in the works for Round Rock and being touted by city leaders as its new urban downtown core.

Two development partnerships from Midland — Round Rock East Realty Partners Ltd. and BKRX Ltd. — are behind the new project called Citi Centre on 13 acres at the northeast corner of I-35 and West Palm Valley Boulevard. Plans include a nine-story, 200-room hotel, a 35,000-square-foot conference center, 200,000 square feet of medical and office space, 250 residential units ranging from townhomes to apartments, and 160,000 square feet of retail and restaurant space.

The project is seeking final site plan approvals this month. Construction of the first phase, 35,000 square feet of commercial space, is expected to begin in January. Meanwhile, developers are negotiating a long-range development agreement for the subsequent build out. That agreement is expected to involve several public-private partnerships with the city of Round Rock and prospective tenants that would establish city-controlled public improvement districts, or tax increment financing districts, to bring city services such as roads, water and sewer lines quickly to the area.

The new development will replace a two-story office building, strip center and a pad site restaurant that was built decades ago. The site was bought several years ago by the developers, who originally had considerably smaller plans to do retail only, those close to the transaction say.

Timing of the build out will be “as the market will allow,” says John Joseph, the developers’ attorney. “I think we are perfectly timed because we will see exactly what the market is going to do and how the credit market is going to respond. I think it is timed correctly for when the economy turns up.”

Joseph says the developers are talking with prospective tenants in the restaurant, hotel, entertainment and retail sectors but declined to name any.

City leaders say the project will spark redevelopment consistent with its new master plan, which calls for denser, urban development. The city has hired Maryland-based planning firm Torti Gallas & Partners to craft that plan.

“We’d like to see more mixed-use development, more urban space,” Round Rock City Manager Jim Nuse says. “It makes a lot of sense for our community.”

The city's population of 100,000 is expected to triple within 50 years, and Round Rock's traditionally two-pronged economy of retail and Dell Inc.'s (Nasdaq: DELL) headquarters is changing, he says. The economy has diversified recently with the addition of a Texas State University branch, the Seton Family of Hospitals' Williamson Medical Center and the Scott and White medical campus. Texas A&M's medical school is set to open there next year, and Austin Community College is building a major campus there.

"Round Rock is going to be a big place, so development like this isn't unusual. This isn't pie-in-the-sky, and it won't stick out like a sore thumb," Nuse says. "It's a piece of the overall fabric the community is growing into."

Joe Vining, vice president of economic development for Round Rock's Economic Development Partnership, says Citi Centre should not compete with the 60-acre town center envisioned by landowner John Avery, located between the new Seton Medical Center and the planned Texas A&M medical branch.

"The thing about urban centers is if you're trying to serve the population right around you — people who live, work and shop there — it's not a problem if you have more than one urban center."

Courtesy of JB Goodwin