

Thousands of new homes coming to Southeast Austin

Giant mixed-use community in Southeast Austin finally gets go-ahead from city.

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The 700-acre former dairy farm a few miles east of Interstate 35 and Slaughter Lane is populated by nothing more than roaming cattle, newly planted winter wheat and clusters of scraggly mesquite trees.

Just 10 miles south of downtown, Goodnight Ranch feels like the middle of nowhere, but the isolation is an illusion.

An elementary school is under construction on a corner of the property, and houses are popping up along the ranch's barbed-wire perimeter. Construction is under way on the 1.6 million-square-foot Southpark Meadows retail center less than two miles away on the other side of I-35.

In the spring, the owners and developers of the property — Dean Goodnight, Terry Mitchell and David Mahn — will begin work on a giant mixed-use development that will include 3,500 homes and 250,000 square feet of neighborhood shops and offices. About 10,000 to 12,000 people will live on the land within 20 years.

Goodnight will have about 100 acres of open space and more than three miles of hike-and-bike trails.

Described by Mitchell as the "unburbia," the new Goodnight Ranch will include a mixture of single-family houses, condominiums, townhouses and apartments in close proximity. The streets will be narrow, the sidewalks wide and the cul-de-sacs few and far between.

Designed to look and feel like a traditional neighborhood, the development would be unusual in any part of Central Texas, where cookie-cutter subdivisions abound, but it is particularly noteworthy in Southeast Austin, where low-priced housing in smaller subdivisions with few amenities has traditionally been the norm.

"I don't know of another one like it," Wendy Walsh, senior planner with the city's neighborhood planning and zoning department, said of Goodnight.

Goodnight Ranch is similar to the redevelopment of the former Robert Mueller Municipal Airport in size and design. Some of Mueller's 711 acres will be used for commercial development and a children's hospital, but plans call for 4,600 residential units. The airport redevelopment will feature a major employer and a regional retail center, unlike Goodnight, where commercial development will cater almost exclusively to the neighborhood.

But Mueller is much more urban, and the public and city were heavily involved in designing the master-planned development on the city-owned land.

Goodnight's developers are building their subdivision on their own in an area where the market for condos, townhomes and higher-end houses is unproven.

Goodnight is a few miles north of another large master-planned community, in the Buda area, where the first homes will also be built next year. The Sunfield municipal utility district, formerly known as the Winfield MUDS, will have 5,319 houses, condos, townhomes and duplex units and 1,968 apartments.

Together, the developments will transform a large swath of mostly empty land into dense communities that include upper-end houses, condos, townhomes, shops and offices.

Both projects are on the east side of I-35, where development has been slowed by a lack of utilities.

The City of Austin has agreed to reimburse the Goodnight developers \$3.8 million for the cost of extending water lines to their property.

The area south of the future Slaughter Lane extension falls within the Creedmoor-Maha Water Supply Corp.'s service area, and no agreement has been reached on whether the city or the water corporation will eventually serve the area. Developers will not be reimbursed for the cost of extending city wastewater service.

Dean Goodnight's family has owned the property since the early 1960s and rented it to farmers and ranchers.

Goodnight said that the family has been approached by a number of potential buyers over the years but that none was interested in buying all of the large ranch. The family wasn't interested in breaking it up.

An acquaintance of Mitchell's for more than 20 years, Goodnight approached him about forming a joint venture to develop the property in 2003, less than a month after Mitchell left home builder D.R. Horton to develop property on his own.

Mitchell recruited his frequent development partner Mahn, of Benchmark Development, the development partner on the 2,200-acre Plum Creek community in Kyle.

The developers expected to break ground in fall 2005. But the city didn't grant final approval until shortly before Thanksgiving of this year, a little more than two years after the developers began the process, even though the project generated very little opposition, according to Walsh.

She said the approval process was unusually complicated. The Goodnight partners wanted narrower streets than the city generally allowed, to slow traffic and make the development pedestrian-friendly, causing concern about access for emergency vehicles.

They sought the ability to have different types of housing block-by-block in some places and in close proximity to commercial areas in others, raising compatibility issues.

The developers asked the city to do limited purpose annexation of the property, which it did in April 2005. And the developers had to work out an agreement with Travis County to partially fund the extension of Slaughter Lane.

The Goodnight partners are selecting the first home builders and will begin developing lots for the first 300 homes in the spring. The first residents are expected to move in by the end of 2007.

Prices have not been set, but Mitchell expects the first condominiums, single-family houses and townhomes to sell for \$100,000 to \$300,000.

Eldon Rude, Austin director of the Houston-based real estate research firm Metrostudy, said that it's unclear how receptive buyers will be to condominiums and townhomes in Southeast Austin but that the density will give Goodnight's developers the ability to provide more moderately priced housing than they otherwise could.

Demand for lower-priced housing has spurred builders to more than double their housing starts in the Buda and Kyle areas in the past four years, he said, and Goodnight enjoys a better location.

The Goodnight developers are also creating a nonprofit educational foundation called the Goodnight Educational Foundation that will collect a small amount from each new home sale and resale transaction in perpetuity to be used for educational opportunities for residents of the community, which could include funding gifted and talented, tutoring or job training programs at local schools.